

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

A G E N D A

October 21, 2021 – ~~10:00 a.m.~~ 9:00 A.M.

735 East Michigan Avenue, Lansing, Michigan

Conference Line: 248-509-0316 | Conference ID: 419 617 944#

Roll Call:

Public Comments:

Remarks:

Chairperson

Executive Director

Voting Issues:

Tab A Approval of Agenda

CONSENT AGENDA ITEMS

Consent Agenda (***Tabs B through G are Consent Agenda items. They are considered routine and are to be voted on as a single item by the Authority. There will be no separate discussion of these Tabs; any Authority member, however, may remove any Tab or Tabs from the Consent Agenda prior to the vote by notifying the Chair. The remaining Tabs will then be considered on the Consent Agenda. Tabs removed from the Consent Agenda will be discussed individually.***)

Tab B Minutes – August 26, 2021

Tab C Resolution Authorizing Modification to Mortgage Terms, **The Village at LaFranier Woods, MSHDA Development No. 3806**, Garfield Township, Grand Traverse County

Tab D Inducement Resolution, **River Terrace**, City of Benton Harbor, Berrien County **MSHDA No. 44c-185**

Tab E Resolution Authorizing Fifth Amendment to Amended and Restated Contract by the Department of Attorney General, the Michigan State Housing Development Authority and Holland & Knight, LLP to Extend and Increase the Contract to Retain Designated Holland & Knight Attorneys as Special Assistant Attorneys General

Tab F Resolution Authorizing Professional Services Contract with Michigan Press Association

Tab G Resolution Authorizing Professional Services Contract with U.S. Bank, National Association

Tab H Amended and Restated Resolution Designating Bank Accounts and Authorizing Officers as to Requisition and Investment of Funds

### **REGULAR VOTING ITEMS**

~~Tab I Michigan State Housing Development Authority Resolution Authorizing Issuance and Sale of Michigan State Housing Development Authority Multifamily Housing Revenue Bonds, Series 2021 (Carpenter Place Apartments)~~

~~Resolution Authorizing Loan, **Carpenter Place Apartments**, Pittsfield Township, Washtenaw County, **MSHDA No. 44c 128-2**~~

Tab J Resolution Authorizing Waiver of Mortgage Loan Prepayment Prohibition, **Silver Stone Townhomes, MSHDA Development No. 961**, City of Lansing, Ingham County

Tab K Resolution Determining Mortgage Loan Feasibility, **Hartland Senior Living, MSHDA Development No. 3915**, Hartland Township, Livingston County

Resolution Authorizing Mortgage Loan, **Hartland Senior Living, MSHDA Development No. 3915**, Hartland Township, Livingston County

Tab L Resolution Determining Mortgage Loan Feasibility, **Hechtman I, MSHDA Development No. 3717**, West Bloomfield Township, Oakland County

Resolution Authorizing Mortgage Loan, **Hechtman I, MSHDA Development No. 3717**, West Bloomfield Township, Oakland County

Tab M Resolution Authorizing a Housing Development Fund Grant to Habitat for Humanity of Michigan

Tab N Resolution Authorizing the Michigan Department of Technology, Management and Budget to Extend the Professional Services Contract with Kinetech Cloud LLC for Software Services on Behalf of the Authority

Tab O Resolution Authorizing Professional Services Contract with C4 Innovations, LLC

Tab P Resolution Authorizing Professional ~~Services~~ **SERVICE** Contract ~~Extensions~~ for Independent Contractual Housing Agents

### **NEW TAB Q RESOLUTION – SELECTION OF EXECUTIVE DIRECTOR**

#### **Closed Session**

None

#### **Discussion Issues:**

Executive Director Search

**Reports:**

|       |   |
|-------|---|
| Tab 1 | Delegated Action Reports  |
| Tab 2 | Memorandum Regarding Administrative Board Approval for State Appropriations                         |
| Tab 3 | Michigan State Housing Development Authority Single-Family Mortgage Revenue Bonds: Post-Sale Report |
| Tab 4 | Draft Authority Meeting Schedule for 2022   |
| Tab 5 | Current and Historical Homeownership Data   |
| Tab 6 | Homeownership Production Report   |
| Tab 7 | MI 10K DPA Monthly Statistics (Map)   |
| Tab 8 | MI 10K DPA Weekly Statistics (Graph)  |
| Tab 9 | 2021 Board Calendar   |

**Michigan State Housing Development Authority  
Minutes of Regular Authority Meeting  
August 26, 2021 – 10:00 a.m.**

**AUTHORITY MEMBERS PRESENT IN LANSING**

Regina Bell  
Susan Corbin  
Rachael Eubanks  
Tyrone Hamilton  
Deb Muchmore  
Michele Wildman for Quentin L. Messer, Jr.

**AUTHORITY MEMBERS ABSENT**

Carl English  
Jennifer Grau

**OTHERS PRESENT IN LANSING**

Clarence Stone, Legal Affairs  
Lisa Ward, Legal Affairs  
Mary Cook, Operations  
Mark Whitaker, Information Technology

**OTHERS PRESENT VIA MICROSOFT TEAMS**

Gary Heidel, Acting Executive Director  
Michelle Locher, Executive  
Jonathan Hilliker, Executive  
Jennifer Bowman, Executive  
Sam Buchalter, Executive  
Mark Garcia, Executive  
Justin Wieber, Asset Management  
Troy Thelen, Asset Management  
Frank Mostek, Audit, Compliance and Fraud Investigation  
Ron Pulaski, Audit, Compliance and Fraud Investigation  
Katie Bach, Communications  
Matt Schoenherr, Communications  
Anna Vicari, Communications  
Jeff Sykes, Finance  
Rick Norton, Legal Affairs  
John Swift, Legal Affairs  
Mary Townley, Homeownership  
Carol Brito, Homeownership  
Renee Ferguson, Homeownership  
Tara Gilman, Homeownership  
Lori Fedewa, Human Resources  
Chad Benson, Rental Development  
John Hundt, Rental Development  
Charles Smith, Rental Development  
Kelly Rose, Rental Assistance and Homeless Solutions  
Tonya Young, Neighborhood Housing Initiatives  
Tracey Barnes, Neighborhood Housing Initiatives  
Jodi Mackie, Neighborhood Housing Initiatives

Angela Shipp, Neighborhood Housing Initiatives  
Tiffany King, Office of Equity and Engagement  
Daphne Wells, Operations  
Ronald Farnum, Office of Attorney General  
John Milhouse, Office of Attorney General  
Christopher Forsyth, Grand Traverse County  
Michael DiCarlantonio, Wallick Communities  
Craig Hammond, Dickinson Wright

Twenty additional members of the public participated via the Conference Line: +1 248- 509-0316, Conference ID: 419 617 944#.

Chairperson Susan Corbin opened the meeting at 10:04 a.m. A quorum was established with the presence of Ms. Corbin, Regina Bell, Rachael Eubanks, Tyrone Hamilton, Deb Muchmore and Michele Wildman. While Authority members were present in Lansing, presenters participated via Microsoft Teams. A separate telephonic conference line linked to the video meeting was also made available to the public. At Ms. Corbin's request, Jonathan Hilliker provided instructions for those participating remotely, including guidelines on how to provide public comment.

Ms. Corbin requested public comments. There being none, she announced that two Authority members were absent – Carl English and Jennifer Grau – therefore, the discussion on the Executive Director position would be conducted at a Special Authority meeting on September 17, 2021. Ms. Corbin noted a goldenrod to the agenda that reflected this change, as well as a goldenrod to the memo in Tab F for clarification purposes.

Ms. Corbin proceeded with a presentation on the Governor's Opportunity Investment Recommendation. She explained that the American Rescue Plan provides Michigan with \$6.5 billion dollars at the state level and \$4.4 billion to cities and counties. The proposals include 22 separate investments that fall into three categories: (1) Educate Workers and Grow the Middle Class, (2) Support Small Businesses and Create Better Jobs, and (3) Invest in Communities. Ms. Corbin encouraged anyone with feedback to get in touch with her office or Gary Heidel, the Authority's Acting Executive Director.

For the Executive Director's Report, Mr. Heidel asked several Authority staff to provide updates on several key programs and initiatives. To begin, Mark Garcia, Legislative Liaison, gave an overview of relevant legislation at the state level. Mr. Garcia explained that every bill introduced at the state level is assigned a lead agency. Currently, there are twelve Senate Bills and eleven House Bills assigned to the Authority. Four of these bills originated with the Authority, including legislation that would give the Resident member full voting rights on the Board, allowing the Board to meet virtually in perpetuity, permitting the Authority to purchase its own debt, and allowing an increase in purchase price limits for single family products. Mr. Garcia also noted the legislative efforts of the Michigan Housing Coalition, which is seeking to address issues related to matters such as the creation of attainable housing, tax credits and PILOTs (Payments in Lieu of Taxes).

Following Mr. Garcia's report, Jennifer Bowman, Special Assistant for Federal Legislative Strategy, provided an update on current legislative matters at the federal level. She explained the process of working with Michigan's congressional delegation, as well as the Governor's Washington, D.C. office, to advocate on matters of importance to the Authority. Most recently, the focus has been on the Reconciliation Plan, which requires congressional committees to advance new federal spending by September 15, 2021. Items of particular interest to the Authority include increased spending on matters such as HOME, the Housing Trust Fund, down payment assistance, and housing tax incentives.

Mary Townley, Director of Homeownership, provided an update on the Housing Assistance Fund. She announced that the plan was submitted to the U.S. Department of Treasury ("Treasury") on August 13, 2021. While awaiting a response, Ms. Townley and her staff are working on setting up operations for the program. In anticipation of approval, staff are setting up the requisite computer operations and reaching out to stakeholders such as county treasurers, non-profit and legal-aid organizations. Ms. Townley told Authority members that as soon as she receives feedback from the Treasury, they would receive a copy of the updated plan. In response to an Authority member question, Ms. Townley also agreed to provide them with any comments received from Treasury.

Kelly Rose, Chief Housing Solutions Officer, discussed the COVID Emergency Rental Assistance Program (CERA). Ms. Rose noted that \$170 million in payments have been made to tenants, landlords and utility companies. Eviction cases are being prioritized and most applications are processed and funded within 30 days. On average, there are about 3,500 cases a week, and the average assistance amount is \$6,600.00. Ms. Rose also noted that 38% of the applications are from Wayne County. Additionally, Ms. Rose explained that if a certain amount of funds are not spent by September 30, 2021, Treasury could reallocate the funds. However, she believes the Authority should be able to avoid a reallocation of funds. Ms. Rose also noted that Michigan should receive \$423 million from the American Rescue Plan Act's second round of funding, which she expects to be appropriated by the state legislature this fall. She explained that 75% of this funding would need to be spent by March, 2022.

Ms. Rose was asked to address whether there may be any changes to the CERA program due to recently released Treasury guidelines. Ms. Rose responded that because Treasury's guidance requires self-attestation of income, she and her staff will now utilize whatever documents an applicant uploads when submitting an application. This will eliminate the need to request additional income information from applicants. As far as other guidance, Ms. Rose explained that most of it is already a part of the program; however, she will be looking into the bulk payment provision to see if it is possible to capitalize on that flexibility.

In response to additional questions regarding the number of applicants from Wayne County, Ms. Rose explained that she is continuing to meet with the City of Detroit and exploring ways to add additional providers in that region. She noted that many nonprofits are turning down requests to assist with the program because it would require them to expand their staff substantially. Additionally, Ms. Rose confirmed that this is not an issue in most areas of the state – she stated that most counties are keeping up with the volume of applications and have already processed about 70% of applications.

To conclude the Executive Director's report, Tiffany King, Office of Equity and Engagement, discussed the Statewide Housing Plan. She explained that efforts are continuing to create Michigan's first Statewide Housing Plan. The State Agency Group that was established is meeting with various agencies and providing input to improve housing outcomes for Michigan residents. Ms. King further noted that over 6,500 responses to the Statewide Housing Survey are being analyzed to determine other focus areas. Additionally, there are plans to increase public engagement through avenues such as virtual townhalls and a newsletter.

#### **Approval of Agenda:**

Deb Muchmore moved approval of **Tab A (Agenda)**. Tyrone Hamilton supported. The agenda was approved.

#### **Voting Items:**

**Consent Agenda (Tabs B through D).** Michele Wildman moved approval of the consent agenda. Rachael Eubanks supported. The Consent Agenda was approved.

The Consent Agenda included the following items:

- Tab B Minutes – July 22, 2021
- Tab C Minutes – August 2, 2021
- Tab D Michigan State Housing Development Authority Resolution Adopting Revised Mortgage Loan Increase Policy

**Regular Voting Items:**

Jeff Sykes, Chief Financial Officer, and Craig Hammond, Bond Counsel, Dickinson Wright presented **Tab E: Michigan State Housing Development Authority First Resolution Supplementing Series Resolution Authorizing the Issuance and Sale of Rental Housing Revenue Bonds, 2016 Series E in an Amount not to Exceed \$35,575,000.** Mr. Sykes reviewed the business terms of the transaction, while Mr. Hammond reviewed the resolution as detailed in the board docket.

Ron Farnum, Assistant Attorney General, confirmed the bond documents in **Tab E** were acceptable for the Board's action.

Clarence Stone, Director of Legal Affairs, confirmed the bond documents in **Tab E** were acceptable for the Board's action.

Rachael Eubanks moved approval of **Tab E**. Deb Muchmore supported. The following Roll Call was taken for **Tab E**:

|                 |        |                 |        |
|-----------------|--------|-----------------|--------|
| Regina Bell     | Yes    | Jennifer Grau   | Absent |
| Susan Corbin    | Yes    | Tyrone Hamilton | Yes    |
| Carl English    | Absent | Deb Muchmore    | Yes    |
| Rachael Eubanks | Yes    | Michele Wildman | Yes    |

There were 6 "yes" votes. The resolution was approved.

Clarence Stone, Director of Legal Affairs, presented **Tab F: Michigan State Housing Development Authority Resolution Authorizing Election to Allow Allocation by the Michigan State Treasurer of an Amount Not to Exceed \$50,000,000 of Private Activity Volume Cap to the Economic Development Corporation of the County of Grand Traverse for Oakleaf Village, Garfield Township, Michigan.** Mr. Stone reviewed the documents as detailed in the board docket.

Deb Muchmore moved approval of **Tab F**. Tyrone Hamilton supported. The following Roll Call was taken for **Tab F**:

|                 |        |                 |        |
|-----------------|--------|-----------------|--------|
| Regina Bell     | Yes    | Jennifer Grau   | Absent |
| Susan Corbin    | Yes    | Tyrone Hamilton | Yes    |
| Carl English    | Absent | Deb Muchmore    | Yes    |
| Rachael Eubanks | Yes    | Michele Wildman | Yes    |

There were 6 "yes" votes. The resolution was approved.

Justin Wieber, Asset Management, presented **Tab G: Resolution Authorizing Modification to Mortgage Terms, Greenwood Village II, MSHDA Development No. 1027, City Of Hillsdale, Hillsdale County**. Mr. Wieber reviewed the documents as detailed in the board docket.

Tyrone Hamilton moved approval of **Tab G**. Regina Bell supported. The resolution was approved.

Justin Wieber, Asset Management, presented **Tab H: Resolution Authorizing Waiver of Mortgage Loan Prepayment Prohibition, Parkwood Manor I, MSHDA No. 290-1, Van Buren Township, Wayne County** and **Tab I: Resolution Authorizing Waiver of Mortgage Loan Prepayment Prohibition, Parkwood Manor II, MSHDA No. 293 (FKA 290-2), City of Belleville, Wayne County** concurrently. Mr. Wieber reviewed the documents for each Tab as detailed in the board docket.

Michele Wildman moved approval of **Tab H**. Deb Muchmore supported. The resolution was approved.

Deb Muchmore moved approval of **Tab I**. Regina Bell supported. The resolution was approved.

Justin Wieber, Asset Management, presented **Tab J: Resolution Authorizing Waiver of Mortgage Loan Prepayment Prohibition Suffolk Court, MSHDA Development No. 1008, City of Flushing, Genesee County**. Mr. Wieber reviewed the documents as detailed in the board docket. Authority member Regina Bell asked to confirm how Authority staff verify that requisite conditions for a transaction are being met. In response, Mr. Wieber stated that in this case, the Director of Asset Management would not agree to the loss spread if the conditions are not met at the time of final closing. Ms. Bell stated that for her own understanding, she had additional questions concerning how staff confirm that specific conditions are honored; Mr. Heidel indicated that a separate meeting would be scheduled for Ms. Bell with Troy Thelen, Director of Asset Management and Mr. Wieber, to further discuss the process in general.

Tyrone Hamilton moved approval of **Tab J**. Deb Muchmore supported. The resolution was approved.

John Hundt, Rental Development presented **Tab K: Resolution Authorizing Modification to Mortgage Terms, Mack Alter, MSHDA Development No. 3805, City of Detroit, Wayne County**. Mr. Hundt reviewed the documents as detailed in the board docket.

Michele Wildman moved approval of **Tab K**. Regina Bell supported. The resolution was approved.

Matthew Schoenherr, Communications presented **Tab L: Resolution Authorizing Professional Services Contract with Perich + Partners LTD**. Mr. Schoenherr reviewed the documents as detailed in the board docket.

Michele Wildman moved approval of **Tab L**. Deb Muchmore supported. The resolution was approved.

Matthew Schoenherr, Communications presented **Tab M: Resolution Authorizing Professional Services Contract with Water Hill Creative, Inc for an Amount Not to Exceed \$750,000.00**. Mr. Schoenherr reviewed the documents as detailed in the board docket.

Tyrone Hamilton moved approval of **Tab M**. Deb Muchmore supported. The resolution was approved.



There being no additional remarks, Ms. Corbin noted the following reports were included for information: **(Tab 1)** MSHDA Rental Housing Revenue Bonds: Pricing Overview; **(Tab 2)** Hardest Hit Report, **(Tab 3)** Current and Historical Homeownership Data, **(Tab 4)** Homeownership Production Report, **(Tab 5)** MI 10K DPA Monthly Statistics (Map), **(Tab 6)** MI 10K DPA Weekly Statistics (Graph), and **(Tab 8)** 2021 Board Calendar.

Ms. Corbin reminded Authority members that there will be a special board meeting on September 17, 2021, to discuss the Executive Director position. The next regular board meeting is September 23, 2021.

There being no additional comments, Ms. Corbin requested a motion to adjourn. Rachael Eubanks moved to adjourn, and Tyrone Hamilton supported. The meeting adjourned at 11:24 p.m.

**REVIEWED**  
By Lisa Ward at 8:21 am, Sep 02, 2021

**APPROVED**  
By Clarence Stone at 8:25 am, Sep 02, 2021




# MSHDA

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

GOLDENROD  
TAB C

## M E M O R A N D U M

**TO:** Authority Members

**FROM:** Gary Heidel, Acting Executive Director 

**DATE:** October 21, 2021

**RE:** Village at LaFranier Woods, Development No. 3806

### **RECOMMENDATION:**

I recommend that the Michigan State Housing Development Authority (the "Authority") adopt a resolution authorizing an increase in the tax-exempt bond mortgage loan in the amounts set forth in this report.

### **PROJECT SUMMARY:**

MSHDA No: 3806  
Development Name: Village at LaFranier Woods  
Development Location: Garfield Township, Grand Traverse County  
Sponsor: R W Properties I L.L.C.  
Mortgagor: LaFranier Woods Limited Dividend Housing Association Limited Partnership  
Number of Units: 59 Affordable units, 55 Market Rate units, and 1 Manager's unit

|                         | <b><u>Original Board</u></b> | <b><u>Update</u></b>                        |
|-------------------------|------------------------------|---|
| Total Development Cost: | \$25,898,271                 | <del>\$29,144,317</del> <b>\$29,156,838</b> |
| TE Bond Mortgage Loan:  | \$16,266,426                 | \$18,608,006                                |
| MSHDA MRF Loan:         | \$2,600,000                  | \$2,600,000                                 |
| MSHDA HOME Loan:        | \$2,075,000                  | \$2,075,000                                 |
| LIHTC Equity:           | \$3,619,697                  | <del>\$4,245,340</del> <b>\$4,252,599</b>   |
| Income from Operations: | \$184,875                    | \$195,192                                   |
| Sponsor Loan:           | \$419,340                    | <del>\$390,779</del> <b>\$426,041</b>       |
| Deferred Developer Fee: | \$732,933                    | \$1,000,000                                 |

### **EXECUTIVE SUMMARY:**

Village at LaFranier Woods (the "Development") was approved by the Authority Board in August 2020. The global pandemic increased construction costs, making construction of the Development no longer viable. The development team has agreed to increase the deferred portion of the developer fee

to partially offset the increase costs. The rent levels were also reset to current levels and the Low Income Housing Tax Credit ("LIHTC") pricing has increased. Based on the updated sources and uses, the Chief Financial Officer approved a 0.7% reduction in the mortgage interest rate. The changes described in this memorandum make the Development feasible and will provide 90 units of needed housing.

Attached is the spreadsheet comparing sources and uses between the Board approved loan commitment and the modified pro forma. The changes in costs are also detailed in the Issues, Policy Considerations and Related Issues.

#### **ADVANCING THE AUTHORITY'S MISSION:**

- New affordable units will be built offering needed housing to low- and moderate-income seniors.
- The Affordability period for these units range from 40 to 50 years, depending on the funding source.

#### **MUNICIPAL SUPPORT:**

- Garfield Township has provided a Payment in Lieu of Taxes ("PILOT"), zoning, and Planned unit Development ("PUD") approvals.

#### **COMMUNITY ENGAGEMENT/IMPACT:**

- Feedback from staff, past and present residents, and the community at large have influenced plans for this new Development.
- Outreach to community organizations including Father Fred Foundation, Women's Resource Center, Disability Network, the Traverse City Housing Commission, the local senior center, churches, Habitat for Humanity, and others has been conducted.

#### **RESIDENT IMPACT:**

- No displacement is occurring as this is new construction.
- Residents will benefit from planned activities and van transportation and will have the option of prepared meals, housekeeping, and linen service.

#### **ISSUES, POLICY CONSIDERATIONS, AND RELATED ACTIONS:**

The following changes to Development costs are based on the Mortgagor's updated sources and uses:

##### **NOI & Debt**

- Annual Rental Revenue increased by \$41,268 to \$2,053,868
- Vacancy Loss increased by \$2,063 to \$99,635
- PILOT increased by \$1,411 to \$64,985
- Tax-Exempt Mortgage Loan increased \$2,341,580 to \$18,608,006

##### **Construction/Rehabilitation**

- On-site improvements increased by \$431,094 to \$1,510,865

- Structures increased by \$2,627,470 to \$15,917,752
- Community Building and/or Maintenance Facility increased by \$15,000 to \$120,000
- Construction Not in Tax Credit Basis increased by \$100,000 to \$1,500,000
- General Requirement increased by \$78,986 to \$1,076,225
- Builder Overhead increased by \$27,909 to \$380,266
- Builder Profit increased by \$85,399 to \$1,163,614.
- Bond Premium, Permits, Cost Cert. increased by \$1 to \$540,688
- Other: Tainted Soil Removal has been removed and replaced by Temporary Site Security a decrease of \$295,000 to \$5,000

### **Interim Construction Costs**

- Property and Casualty Insurance increased by \$48,069 to \$115,069
- Construction Loan Interest increased by ~~\$8,644~~ **\$51,117** to ~~\$322,325~~ **\$364,798**

### **Permanent Financing**

- Loan Commitment Fee to MSHDA increased by \$46,831 to \$456,660

### **Other Costs (Not in Basis)**

- Tax Credit Fees increased by ~~\$4,089~~ **\$4,137** to ~~\$30,341~~ **\$30,389**
- Rent Up Allowance decreased by \$10,581 to \$649,891

### **Project Reserves**

- The Operating Assurance Reserve increased by \$12,112 to \$636,562
- Syndicator Held Reserve increased by \$36,023 to \$263,439

### **Total Construction Hard Costs**

- Total Construction Hard Costs increased by \$3,070,858 to \$22,660,029

### **Total Non-Construction (“Soft”) Costs**

- Total Non-Construction (“Soft”) Costs increased by ~~\$145,187~~ **\$187,708** to ~~\$3,854,288~~ **\$3,896,809**

### **Total Development Cost**

- Total Development Cost increased by ~~\$3,216,085~~ **\$3,258,566** to ~~\$29,114,317~~ **\$29,156,838**

### **Total Development Sources**

- MSHDA Permanent Mortgage increased by \$2,341,580 to \$18,608,006
- Equity Contribution from Tax Credit Syndication increased by ~~\$625,643~~ **\$632,902** to ~~\$4,245,340~~ **\$4,252,599**

- Income from Operations increased by \$10,317 to \$195,192
- Sponsor Loan decreased by ~~\$28,564~~ **\$6,701** to ~~\$390,779~~ **\$426,041**
- Deferred Developer Fee increased by ~~\$267,087~~ **\$267,067** to \$1,000,000

#### **Total Permanent Sources**

- The total permanent sources increased by ~~\$3,216,046~~ **\$3,258,567** to ~~\$29,114,317~~ **\$29,156,838** based on the changes identified above.



# MSHDA

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

**THIS STAFF REPORT IS MARKED TO SHOW CHANGES TO THE STAFF REPORT APPROVED ON August 27, 2020. THIS REPORT HAS BEEN SIGNED AND SHALL REPLACE THE August 27, 2020, STAFF REPORT.**

## **UPDATED MORTGAGE LOAN FEASIBILITY/COMMITMENT STAFF REPORT**

**August 27, 2020 October 21, 2021**

### **Recommendation:**

I recommend that the Michigan State Housing Development Authority (the "Authority") adopt resolutions 1) determining Mortgage Loan Feasibility as to the following proposal, 2) authorizing tax-exempt bond and Mortgage Resource Fund ("MRF") mortgage loans in the amounts set forth in this report, and 3) authorizing the Executive Director, or an Authorized Officer of the Authority, to issue the Authority's Mortgage Loan Commitment with respect to this development, subject to the terms and conditions set forth in this report.

|                                       |   |
|---------------------------------------|---|
| <b><u>MSHDA No.:</u></b>              | 3806  |
| <b><u>Development Name:</u></b>       | Village at LaFranier Woods  |
| <b><u>Development Location:</u></b>   | Garfield Township, Grand Traverse County  |
| <b><u>Sponsors:</u></b>               | R W Properties I L.L.C.   |
| <b><u>Mortgagor:</u></b>              | LaFranier Woods Limited Dividend Housing Association<br>Limited Partnership   |
| <b><u>Total Development Cost:</u></b> | <del>\$25,898,274</del> <b>\$29,156,838</b>   |
| <b><u>TE Mortgage Amount:</u></b>     | <del>\$16,266,426</del> <b>\$18,608,006</b> (62.84 <b>63.82%</b> )  |
| <b><u>MSHDA MRF Loan:</u></b>         | \$2,600,000   |
| <b><u>MSHDA HOME Loan:</u></b>        | \$2,075,000   |
| <b><u>Mortgage Term:</u></b>          | 40 years for the tax-exempt bond loan ("TE Loan"), 50 Years<br>for the MRF and HOME Loans   |
| <b><u>Interest Rate:</u></b>          | <del>4.9</del> <b>4.2%</b> for TE Loan, 3.0% simple interest for the MRF Loan,<br>and 1.0% simple interest for the HOME Loan  |
| <b><u>Program:</u></b>                | Tax-Exempt Bond and Round 10 of the Gap Financing<br>Program Notice of Funding Availability ("NOFA")  |
| <b><u>Number of Units:</u></b>        | 115 Senior Units  |
| <b><u>Unit Configuration:</u></b>     | 47 one-bedroom, one bath apartments, 46 two-bedroom, 1<br>1/2 bath apartments, 21 two-bedroom two-bath apartments,<br>and 1 manager's unit in 1 three-story building. |
| <b><u>Builder:</u></b>                | Reenders, Inc.  |
| <b><u>Syndicator:</u></b>             | Cinnaire  |
| <b><u>Application Received:</u></b>   | May 2019  |
| <b><u>HDO:</u></b>                    | JT Johnston   |

**Feasibility/Commitment Staff Report**  
**The Village at LaFranier Woods, MSHDA No. 3806**  
**Charter Township of Garfield, Grand Traverse County**  
**August 27, 2020 October 21, 2021**

Issuance of the Authority's Mortgage Loan Commitment is subject to fulfillment of all Authority processing and review requirements and obtaining all necessary staff approvals as required by the Authority's underwriting standards.

**ISSUES, POLICY CONSIDERATION AND RELATED ACTIONS:**

**Village at LaFranier Woods (the “Development”) was approved by the Authority Board in August 2020. The global pandemic adversely affected construction costs and these increases made construction of the Development no longer viable. The development team has agreed to increase the deferred portion of the developer fee to partially offset the increase costs. The rent levels were also reset to current levels and the Low Income Housing Tax Credit (“LIHTC”) pricing has increased. Based on the updated sources and uses, the Chief Financial Officer approved a 0.7% reduction in the mortgage interest rate. The changes described in the memorandum make the Development feasible and will provide 115 units of needed housing. This Staff Report is marked to show changes.**

~~The Village at LaFranier Woods is to be built on a parcel of land which will be split from a larger parcel and the land division has not yet been accomplished. The land division application required that the Development receive Planned Unit Development (“PUD”) approval. The Development has obtained PUD approval, but the PUD requires an amendment to identify the new parcels. The PUD amendment and the land division application are being completed in tandem, and the sponsor has represented that the municipality is supportive and will provide evidence of this support. The final unconditional approval of the land division is a special condition required before the Authority will issue its loan commitment. Planned Unit Development (“PUD”) zoning has been approved and land division has been accomplished.~~

**EXECUTIVE SUMMARY:**

The Village at LaFranier Woods is a proposed new-construction, 115-unit, mixed-income senior congregate development to be located at 2242 LaFranier Road, a 7.96-acre parcel, north of W. Hammond Road, in the Charter Township of Garfield, Grand Traverse County, Michigan (the “Development”). The Village at LaFranier Woods will consist of 1 three-story elevated garden-style building containing 41 one-bedroom- and 18 two-bedroom affordable units, 6 one-bedroom and 49 two-bedroom market rate units, and 1 manager’s unit. 23 of the market rate units will have premium finishes and as such are noted as deluxe units.

Community amenities include elevator, controlled entry with intercom, security lighting, central and private dining rooms, exercise room, library/computer center, mini-movie theater, game room, laundry room, beauty/barber shop, medical clinic space, and scheduled bus transportation. Additional amenities, that are available for a fee, include: guest suite (\$60 per night); dinner (\$9); housekeeping (\$20 for 1 bedroom; \$30 for 2 bedroom); laundry and linen service (\$9 per load of laundry; \$9 per load of linen); handyman services (\$25 per hour with a 1/2 hour minimum); carport parking (\$30 per month); detached garage parking (\$50 per month); extra storage (\$10 per month).

In-unit amenities include frost-free refrigerator, self-cleaning oven, dishwashers (2-bedroom units only), garbage disposal, and microwave. Other features include senior “friendly” hardware, walk-

**Feasibility/Commitment Staff Report**  
**The Village at LaFranier Woods, MSHDA No. 3806**  
**Charter Township of Garfield, Grand Traverse County**  
**~~August 27, 2020~~ October 21, 2021**

in closet, internet hook-up, central air conditioning, patios or balconies, and mini-blinds. Deluxe market-rate units will have upgraded finishes and equipment including carpet/flooring, appliances, cabinetry, plumbing fixtures, granite countertops, and in-unit washers and dryers.

Future plans call for two more phases; phase two will be independent seniors and phase three will be an assisted living facility. The proposed phase-one project, "The Village at LaFranier Woods", has direct access from a public road.

The Village at LaFranier Woods is being proposed under the Round 10 Gap Financing Program NOFA. The sponsor requests that the Authority provide a Tax-Exempt Bond Loan, a Mortgage Resource Fund Loan and a HOME Loan to the Development. Equity support comes from the syndication of the 4% LIHTC.

**Structure of the Transaction and Funding:**

There are several elements to this transaction that are common to new construction transactions:

- A tax-exempt bond construction and permanent mortgage loan will be provided by the Authority (the "Mortgage Loan"). The Mortgage Loan will be in the amount of ~~\$16,266,426~~ **\$18,608,006** at ~~4.90%~~ **4.2%** interest with ~~23~~ **25**-monthly interest only payments required under the construction loan (a ~~14~~ **16**-month construction term and a 9-month rent-up period). The permanent financing date will commence on the first day of the month following the month in which the ~~23~~ **25**-month construction loan term expires or such later date as determined by an Authorized Officer of the Authority (the "Permanent Financing Date").
- The permanent tax-exempt bond loan is based upon the current rents, less vacancy loss, payments to reserves and escrows, operating costs based on historical data unless modified by project improvements and construction and soft costs at levels appropriate for this specific transaction. The permanent loan includes a 1.15 debt service coverage ratio, an annual interest rate of ~~4.90%~~ **4.2%**, with a fully amortizing term of 40 years commencing on the Permanent Financing Date. The Mortgage Loan will be funded on the Permanent Financing Date and will be in **First Position**.
- A subordinate loan using Authority mortgage resource funds (the "Mortgage Resource Fund Loan") in the amount of \$2,600,000 will be provided at 3% simple interest with payments initially deferred. The Mortgage Resource Fund Loan will be in **Second Position**.
- A subordinate loan using HOME funds (the "HOME Loan") in the amount of \$2,075,000 will be provided at 1% simple interest with payments initially deferred. The HOME Loan will be in **Third Position**.
- Equity support comes from an investment related to the 4% LIHTC in the estimated amount of ~~\$3,619,697~~ **\$4,252,599**.
- The Sponsor is providing a loan in the amount of ~~\$419,340~~ **\$426,041**. See Special Condition No. 6.



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- The sponsor has agreed to defer ~~\$732,933~~ **\$1,000,000** in Developer Fees to help fill the remaining funding gap.
- An operating assurance reserve will be required in the amount identified in the attached proforma. The reserve will be capitalized at closing in an amount which, along with accumulated interest, is expected to meet the Development's unanticipated operating needs. This reserve will be held by the Authority.
- A 9-month rent-up allowance in the amount identified in the attached proforma will be required to support interest payments between construction completion and the Mortgage Cut-Off Date, as determined by the Authority.
- Income from, operations will be used as a source funding to make interest only payments and the tax and insurance payments during the absorption period in the amount of ~~\$184,875~~ **\$195,192**.
- A syndicator reserve in the amount of ~~\$227,416~~ **\$263,439** is required by the equity investor for operating costs. This reserve will be held and controlled pursuant to the terms of the Mortgagor's Amended and Restated Limited Partnership Agreement. See Special Condition No. 5.

**SITE SELECTION:**

The project's site is acceptable, as there is direct access off LaFranier Road and other residential developments are in proximity to the site.

**MARKET EVALUATION:**

Marketing staff have reviewed and approved the market study.

**Valuation of the Property:**

An appraisal dated April 25, 2019, provides a value of \$650,000 for this vacant 7.96-acre parcel.

**CONDITIONS:**

At or prior to (i) issuance of the Authority's mortgage loan commitment ("Mortgage Loan Commitment"), (ii) the initial Mortgage Loan Closing (the "Initial Closing"), or (iii) such other date as may be specified herein, the new Mortgagor, and other members of the Development team, where appropriate, must satisfy each of the following conditions by entering into a written agreement or providing documentation acceptable to the Authority:

**Standard Conditions:**

**1. Limitation for Return on Equity:**

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For each year of the Development's operation, beginning in the year in which the Mortgage Cut-Off Date occurs, payments are limited to twelve percent (12%) of the Mortgagor's equity. For purposes of distributions, the Mortgagor's equity will be the sum of (i) the LIHTC equity; (ii) the brownfield tax credit equity; (iii) the historic tax credit equity; (iv) general partner capital contributions; and (v) any interest earned on an equity escrow held by the Authority (estimated to be a total of ~~\$3,619,697~~ **\$4,252,599**). All such payments shall be referred to as "Limited Dividend Payments". The Mortgagor's return shall be fully cumulative. Limited Dividend Payments shall be capped at 12% per annum, until the MRF Loan and the HOME Loan have been repaid. Thereafter, Limited Dividend Payments may increase 1% per annum until a cap of 25% per annum is reached.

**2. Income Limits:**

The income limitations for 115 units of this proposal are as follows:

- a. 3 units have been designated as Low-HOME units (1 one-bedroom unit and 2 two-bedroom, 1 1/2 bath units), and during the Period of Affordability required under the HOME program (20 years) must be available for occupancy by households whose incomes do not exceed 50% of the HOME published area median income, adjusted for family size as determined by HUD.
- b. 8 units have been designated as High-HOME units (4 one-bedroom units and 4 two-bedroom, 1 1/2 bath units), and during the Period of Affordability required under the HOME program (20 years) must be available for occupancy by households whose incomes do not exceed 60% of the HOME published area median income, adjusted for family size as determined by HUD.
- c. 59 units (41 one-bedroom, one-bath units and 18 two-bedroom, 1 1/2 bath units) must be available for occupancy by households whose incomes do not exceed 60% of area median income based upon the MTSP limits, adjusted for family size as determined by HUD, until the latest of (i) the expiration of the LIHTC "Extended Use Period" as defined in the Development's LIHTC Regulatory Agreement; (ii) 50 years from Initial Closing; or (iii) so long as any Authority loan remains outstanding.
- d. 55 units (6 one-bedroom units and 49 two-bedroom units) are market-rate and may be rented without regard to income.
- e. 1 unit (a one-bedroom unit) will be used as a manager's unit. If this unit is later converted to rental use, it must be available for occupancy by households whose incomes do not exceed 60% of area median income based upon the MTSP limits, adjusted for family size as determined by HUD.

To the extent units within the Development are subject to multiple sets of income limits, the most restrictive income limit will apply so long as the applicable term of affordability continues.

The income of individuals and area median income shall be determined by the Secretary

of the Treasury in a manner consistent with determinations of lower income families and area median income under Section 8 of the U.S. Housing Act of 1937, including adjustments for family size.

**3. Limitations on Rental Rates:**

The Total Housing Expense (contract rent plus tenant-paid utilities) for 115 units are subject to the following limitations:

- a) During the Period of Affordability required under the HOME program (20 years), the Total Housing Expense for the 3 Low-HOME units (1 one-bedroom unit and 2 two-bedroom units) may not exceed the "Low-HOME Rent Limit" for the unit established and published annually by HUD.
- b) During the Period of Affordability required under the HOME program (20 years), the Total Housing Expense for the 8 High-HOME units (4 one-bedroom units and 4 two-bedroom units) may not exceed the "High-HOME Rent Limit" established and published annually by HUD.
- c) For 59 units (41 one-bedroom units and 18 two-bedroom units), the Total Housing Expense may not exceed one-twelfth (1/12<sup>th</sup>) of 30% of the MTSP 60% income limit, adjusted for family size and based upon an imputed occupancy of one and one-half persons per bedroom. These restrictions will apply until the latest of (i) the end of the Extended Use Period, (ii) 50 years after Initial Closing; or (iii) so long as any Authority loan remains outstanding.
- d) 55 units (6 one-bedroom units and 49 two-bedroom units) are market-rate and there shall be no limit on the rents charged for these units.
- e) 1 unit (1 one-bedroom unit) will be used as a manager's unit. If this unit is later converted to rental use, the Total Housing Expense will be limited to one twelfth (1/12<sup>th</sup>) of 30% of the MTSP 60% income limit, adjusted for family size and based upon an imputed occupancy of one and one-half persons per bedroom.

To the extent units within the Development are subject to multiple sets of rent limits, the most restrictive rent limit will apply so long as the applicable term of affordability continues.

While rental increases for these units may be permitted from time to time as HUD publishes updated median income limits, the Mortgagor must further agree that rental increases for targeted units will be limited to not more than 5% for any resident household during any 12-month period.

For the initial lease term of the first household occupying each rent restricted unit in the Development may not exceed 105% of the rent approved in this Mortgage Loan Feasibility/Commitment Staff Report or the maximum allowed per median income, whichever is less. Exceptions to the foregoing limitations may be granted by the Authority's Director of Asset Management to pay for extraordinary increases in operating expenses (exclusive of Limited Dividend Payments) or to enable the owner to amortize a

Mortgage Loan increase to fund cost overruns pursuant to the Authority's policy on Mortgage Loan increases. Rents on vacated units may be increased to the maximum level permissible by the applicable programs. Rents and utility allowances must be approved annually.

**4. Covenant Running with the Land:**

The Mortgagor must subject the Development site to a covenant running with the land so as to preserve the tax-exempt status of the obligations issued or to be issued to finance the Mortgage Loan. This covenant will provide that each unit must be rented or available for rental on a continuous basis to members of the general public for a period ending on the latest of the date which is 15 years after the date on which 50% of the residential units in the Development are occupied, the first day on which no bonds are outstanding with respect to the project, or the date on which assistance provided to the project under Section 8 of the U.S. Housing Act of 1937 terminates. The income of individuals and area median income shall be determined by the Secretary of the Treasury in a manner consistent with determinations of lower income families and area median income under Section 8 of the U.S. Housing Act of 1937, including adjustments for family size. Until the Secretary of the Treasury publishes its requirements, income of the individuals shall be determined in accordance with Section 8 regulations. Additionally, if LIHTC is awarded to the Development, the Mortgagor must agree to subject the property to the extended low income use commitment required by Section 42 of the Internal Revenue Code.

**5. Restriction on Prepayment and Subsequent Use:**

The Mortgage Loan is eligible for prepayment after the expiration of 15 years after the commencement of amortization. The Mortgagor must provide the Authority with at least 60 days' notice prior to any such prepayment.

In the event of a prepayment, however, the Mortgagor must pay a prepayment fee equal to the sum of:

- a. 1% of the balance being prepaid;
- b. Any bond call premium, prepayment or swap penalty, or any other cost that the Authority incurs to prepay the bonds or notes that were used to fund the Mortgage Loan; and
- c. Any loss of debt service spread between the Mortgage Loan and the bonds used to finance the loan from the date of the prepayment through the end of the 20<sup>th</sup> year of amortization.

Once the Mortgagor has been approved for the early prepayment of the underlying loan, it must sign an agreement with the Authority stating it is responsible for the cost of terminating the swap. The Mortgagor can then choose the timing of the termination and participate in the transaction with the swap counterparty. The swap counterparty will quote the cost of terminating the swap and the Mortgagor will have the ability to execute the transaction or cancel at its sole discretion. If the Mortgagor chooses not to terminate the swap, it will forfeit the right to prepay the Mortgage Loan.

Subordinate loans are eligible to prepay at any time upon 60 days prior written notice to the Authority, but prepayment may not extinguish federal affordability and compliance

requirements.

**6. Operating Assurance Reserve:**

At Initial Closing, the Mortgagor shall fund an operating assurance reserve ("OAR") in the amount equal to four months' estimated Development operating expenses (estimated to be ~~\$624,450~~ **\$636,562**). The OAR will be used to fund operating shortfalls incurred at the Development and will be disbursed by the Authority in accordance with the Authority's written policy on the use of the Operating Assurance Reserve, as amended from time to time. The OAR must be either (i) fully funded with cash, or (ii) funded with a combination of cash and an irrevocable, unconditional letter of credit acceptable to the Authority, in an amount that may not exceed 50% of the OAR requirement. To the extent that any portion of the OAR is drawn for use prior to the final closing of the Mortgage Loan, the Mortgagor must restore the OAR to its original balance at final closing.

**7. Replacement Reserve:**

The Mortgagor must agree to establish a replacement reserve fund ("Replacement Reserve") by making annual deposits to the Replacement Reserve, beginning on the Mortgage Cut-Off Date, at a minimum of \$275 per unit for the first year of operation, payable in monthly installments, with deposits in subsequent years to be the greater of (i) the prior year's deposit, increased by 3%, or (ii) a percentage of the Development's projected annual rental income or gross rent potential ("GRP") for the year using the percentage obtained by dividing the first year's deposit by the first year's GRP shown on the operating proforma for the Development attached hereto. The annual deposit to the Replacement Reserve may also be increased to any higher amount that is determined to be necessary by the Authority, based on a CNA and the Authority's Replacement Reserve policies. The Authority may update any CNA or obtain a new CNA every five years, or upon any frequency, as determined necessary by the Authority.

**8. Authority Subordinate Loan(s):**

At Initial Closing, the Mortgagor must enter into agreements relating to the Mortgage Resource Fund Loan and the HOME Loan. The Mortgage Resource Fund Loan will bear simple interest at 3%, and the HOME Loan will bear simple interest at 1% and will each be secured by subordinate mortgages with 50-year terms. No loan payments will be required on either the Mortgage Resource Fund Loan or the HOME Loan so long as any deferred developer fees remain unpaid, not to exceed twelve years. Interest will continue to accrue on each loan until paid in full.

At the earlier of the year in which the developer fee has been paid in full or the 13<sup>th</sup> year following the date that Mortgage Loan amortization commences, repayment of the Mortgage Resource Fund Loan and the HOME Loan will commence according to the following:

- So long as both of the Mortgage Loan and the Mortgage Resource Fund Loan remain outstanding, then repayment of the Mortgage Resource Fund Loan will be made from fifty percent (50%) of any surplus cash available for distribution

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("Surplus Funds"), applied first to accrued interest, then to current interest and principal, and no payments will be required on the HOME Loan.

- If the Mortgage Resource Fund Loan is repaid in full while the Mortgage Loan remains outstanding, then upon repayment of the Mortgage Resource Fund Loan, repayment of the HOME Loan will commence and be made from fifty percent (50%) of Surplus Funds, applied first to accrued interest, then to current interest and principal.
- Upon payment in full of the Mortgage Loan, if both the Mortgage Resource Fund Loan and the HOME Loan remain outstanding, then the outstanding balance of the Mortgage Resource Fund Loan, including accrued interest, will become the new first mortgage loan and will begin amortization with monthly payments equal to the payments made under the original Mortgage Loan. At this time, payments on the HOME Loan will commence and be made from fifty percent (50%) of Surplus Funds, applied first to accrued interest, then to current interest and principal.
- Upon payment in full of both the Mortgage Loan and the Mortgage Resource Fund Loan, the outstanding balance of the HOME Loan, including accrued interest, will become the new first mortgage loan and will begin amortization with monthly payments equal to the payments made under the original Mortgage Loan.
- The entire principal balance and any accrued interest of the Mortgage Resource Fund Loan and the HOME Loan will be due and payable after 50 years.

Notwithstanding the foregoing, in the event of any sale or refinance of the Development, the Mortgage Resource Fund Loan and the HOME Loan will be due and payable at that time.

**9. Architectural Plans and Specifications; Contractor's Qualification Statement:**

Prior to Mortgage Loan Commitment, the architect must submit architectural drawings and specifications that address all design review comments, acceptable to the Authority's Chief Architect and the Chief Housing Investment Officer.

Prior to Mortgage Loan Commitment, the general contractor must submit AIA Document A305 as required by the Authority's Chief Architect.

**10. Owner/Architect Agreement:**

Prior to Mortgage Loan Commitment, the Mortgagor must provide the Authority with an executed Owner Architect Agreement acceptable in form and substance to the Director of Legal Affairs.

**11. Trade Payment Breakdown:**

Prior to Mortgage Loan Commitment, the general contractor must submit a signed Trade Payment Breakdown acceptable to the Authority's Manager of Construction Costing.

**12. Section 3 Requirements:**

Prior to Mortgage Loan Commitment, the general contractor must agree to comply with all federal Section 3 hiring requirements. The general contractor must provide the contractor's "Section 3 Hiring Plan" which must be reviewed and found acceptable to the Authority's Section 3 Compliance Officer. In addition, the general contractor must agree to adhere to follow-up reporting requirements as established by the Authority.

**13. Equal Opportunity and Fair Housing:**

Prior to Mortgage Loan Commitment, the management and marketing agent's Affirmative Fair Housing Marketing Plan must be reviewed and found acceptable to the Authority's Equal Employment Officer for Fair Housing Requirements.

In addition, prior to Mortgage Loan Commitment, the general contractor's Equal Employment Opportunity Plan must be reviewed and found acceptable to the Authority's Equal Employment Officer.

**14. Cost Certification:**

The contractor's cost certification must be submitted within 90 days following the completion of construction, and the Mortgagor's cost certification must be submitted within 90 days following the Mortgage Cut-off Date. For LIHTC, the owner is obligated to submit cost certifications applicable to itself and the contractor prior to issuance of IRS form 8609 (see LIHTC Program Cost Certification Guidelines).

**15. Environmental Review and Indemnification:**

Prior to Mortgage Loan Commitment, the Mortgagor must address any outstanding environmental issues, in form and substance acceptable to the Authority's Environmental Review Officer.

At Initial Closing, the Mortgagor must enter an agreement to indemnify the Authority for any loss, damage, liability, claim, or expense which it incurs as a result of any violation of environmental laws. The indemnification agreement must be acceptable to the Director of Legal Affairs.

**16. Title Insurance Commitment and Survey:**

Prior to Mortgage Loan Commitment, the Mortgagor must provide an updated title insurance commitment, including zoning, pending disbursements, comprehensive, survey, land division act (if applicable) and such other endorsements as deemed necessary by the Authority's Director of Legal Affairs. The updated title commitment must contain only exceptions to the insurance acceptable to the Authority's Director of Legal Affairs.

Additionally, prior to Mortgage Loan Commitment, the Mortgagor must provide an updated

survey, together with surveyor's certificate of facts that is certified and appropriately reflects all easements, rights of way, and other issues noted on the title insurance commitment. All documents must be acceptable to the Director of Legal Affairs.

**17. Organizational Documents/Equity Pay-In Schedule:**

Prior to Mortgage Loan Commitment, the Mortgagor must submit a substantially final form syndication partnership agreement, including an equity pay-in schedule, that is acceptable in form and substance to the Chief Housing Investment Officer and Director of Legal Affairs.

At or prior to Initial Closing, the final, executed syndication partnership agreement must become effective and the initial installment of equity must be paid in an amount approved by the Chief Housing Investment Officer and Director of Development.

**18. Designation of Authority Funds:**

The Authority reserves the express right, in its sole discretion, to substitute alternate subordinate funding sources.

**19. Management & Marketing:**

Prior to Mortgage Loan Commitment, the management and marketing agent must submit the following documents, which must be found acceptable to the Director of Asset Management:

- a) Management Agreement
- b) Marketing Addendum

**20. Guaranties:**

At Initial Closing, the Sponsors, General Partner, and any entity receiving a developer fee in connection with the Development must deliver certain guaranties. The required guaranties include a guaranty of HOME recapture liability, an operating deficit guaranty and a performance completion guaranty. The required guaranties, the terms thereof and the parties who shall be required to deliver the guaranty must be determined and approved by the Authority's Chief Housing Investment Officer and Director of Development.

**21. Financial Statements:**

Prior to Mortgage Loan Commitment, financial statements for the Sponsor, the guarantor(s) and the general contractor must be reviewed and found acceptable by the Authority's Director of Finance.

If prior to Initial Closing the financial statements that were approved by the Authority become more than six months old, the Sponsor, the guarantor(s) and/or the general contractor must provide the Authority with updated financial statements meeting Authority requirements upon request.



**22. Future Contributions:**

To ensure the Authority is contributing the least amount of funding necessary to achieve project feasibility, any decrease in Development costs or future contributions not included in the Development proforma may, at the Authority's discretion, be utilized to reduce, in equal proportions, any deferred developer fee and Authority soft funds.

**23. Ownership of Development Reserves:**

At the Initial Closing, the Mortgagor must enter into an agreement confirming the Authority's ultimate ownership of excess cash reserves, escrows and accounts as may exist at the time the Authority's mortgage loans are paid off or the Development is sold or refinanced. This agreement must be acceptable to the Authority's Director of Legal Affairs.

**24. HUD Authority to Use Grant Funds:**

Prior to Mortgage Loan Commitment, the Authority must receive the HUD Authority to Use Grant Funds (HUD 7015.16) in connection with the proposed HOME Loan from the Authority or confirmation that the Development is categorically excluded from NEPA review.

**25. HUD Subsidy Layering Review:**

Prior to Initial Closing, the subsidy layering review must be performed by Authority staff and must be submitted to HUD for approval. The subsidy layering approval is subject to review and approval by the Authority's Chief Housing Investment Officer and director of Development.

**26. Application for Disbursement:**

Prior to Initial Closing, the Mortgagor must submit an "Application for Disbursement" along with supporting documentation, which must be found acceptable to the Authority's Chief Housing Investment Officer and Director of Development.

**Special Conditions:**

**1. Legal Requirements:**

The Mortgagor and/or Sponsor must submit documentation acceptable to the Authority's Director of Legal Affairs for the items listed below:

- ~~• Prior to Mortgage Loan Commitment, the applicable land division must be completed, and the Mortgagor must provide to the Authority the final, unconditional approval issued by the municipality.~~
- ~~• Prior to Mortgage Loan Commitment, the amendment to the Planned Unit Development must be completed, and the Mortgagor must provide to the Authority the final, unconditional approval issued by the municipality.~~
- Prior to Initial Closing, the Michigan Attorney General's Office must complete its

review of the transaction and provide the Director of Legal Affairs its recommendation.

- Any other documentation as required by the Director of Legal Affairs, including but not limited to, acceptable evidence of insurance, permits, licenses, zoning approvals, utility availability, payment and performance bonds, construction agreements, and other standard closing requirements.

**2. Congregate Services:**

Prior to Initial Closing, the sponsor must agree in writing to provide congregate services as described in the management and marketing plans for the tenants for the life of the Mortgage Loan. The services must include, at the option of the tenant, one meal per day, light housekeeping, laundry services, and handyman services. The cost of these services must be paid from other than Mortgage Loan proceeds, development rental income, and residual receipts.

**3. Van Transportation:**

The Mortgagor will enter into an agreement with the Authority to provide regular van transportation for the residents of the Development for the purposes of grocery and other shopping, and for recreational outings, at no charge to the tenants. The times, frequency and destination of the outing for which van transportation will be established by the Mortgagor, subject to the approval of the Authority's Director of Asset Management, whose approval will not be unreasonably withheld. The van transportation shall be in addition to Spec-Tran or any other service provided by the local public transportation system or its equivalent. The cost of providing van transportation services may be paid from development operating funds, residual receipts, or mortgage loan proceeds to the extent available. If however there are not sufficient funds from these sources, Mortgagor shall pay the cost of providing the van transportation services from the Mortgagor's own funds.

**4. Excess Rent-Up Allowance:**

Prior to final closing, any unused funds allocated for the Rent-up Allowance will be used to reduce the amount of the Authority's Mortgage Resource Fund Loan.

**5. Syndicator Reserve:**

The Mortgagor shall fund a syndicator held reserve ("Syndicator Reserve") with a one-time deposit in the amount of ~~\$227,416~~ **\$263,439** paid from equity proceeds according to the terms of the Mortgagor's limited partnership agreement. The Syndicator Reserve shall be controlled by the syndicator. The purpose of this reserve will be to fund additional operating costs.

**6. Sponsor Loan:**

Prior to Mortgage Loan Commitment, the Mortgagor must submit substantially final documents evidencing the Sponsor loan acceptable to the Authority's Director of Legal

Affairs and Director of Development. The Sponsor loan must:

- a) not be secured by a lien on the Development or any of the Development's property, funds or assets of any kind;
- b) be payable solely from approved Limited Dividend payments, and not from other development funds;
- c) be expressly subordinate to all Authority mortgage loans; and
- d) have a loan term exceeding the term of all Authority mortgage loans.

At or prior to Initial Closing, the final, executed Sponsor loan documents must become effective and initial funding of the loan must be made in an amount approved by the Director of Development.

## **DEVELOPMENT TEAM AND SITE INFORMATION**

### **I. MORTGAGOR:**

LaFranier Woods Limited Dividend Housing Association Limited Partnership

### **II. GUARANTOR(S):**

#### **A. Guarantor #1:**

**Name:** R W Properties I, L.L.C.  
**Address:** 940 Taylor Avenue  
Grand Haven, Michigan 49417

#### **B. Guarantor #2:**

**Name:** Shirley Woodruff  
**Address:** 940 Taylor  
Grand Haven, Michigan 49417

### **III. DEVELOPMENT TEAM ANALYSIS:**

#### **A. Sponsor:**

**Name:** R W Properties I, L.L.C.  
**Address:** 940 Taylor Avenue  
Grand Haven, Michigan 49417

**Individual Assigned:** Shirley Woodruff  
**Telephone:** (616) 842-2425  
**Fax:** (616) 842-8939  
**E-mail:** [swoodruff@reendersinc.com](mailto:swoodruff@reendersinc.com)

#### **1. Experience:**

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The sponsor has prior experience with Authority-financed developments.

**2. Interest in the Mortgagor and Members:**

LaFranier Woods Limited Dividend Housing Association Limited Partnership

Members: General Partners:

|                              |       |
|------------------------------|-------|
| R W Properties I, L.L.C.     | 5.00% |
| Gen Four Properties I, LLC   | 4.00% |
| Gen Four Properties II, LLC  | 4.00% |
| Gen Four Properties III, LLC | 4.00% |
| Gen Four Properties IV, LLC  | 4.00% |
| Gen Four Properties V, LLC   | 4.00% |

Limited Partners: R W Properties I, L.L.C. 75.00%

**B. Architect:**

**Name:** Progressive Associates, Inc.  
**Address:** 838 West Long Lake Rd., Suite 250  
Bloomfield Hills, Michigan 48302

**Individual Assigned:** Daniel Tosch  
**Telephone:** (248) 540-5940  
**Fax #:** (248) 540-4820  
**E-mail:** [pai@progressiveassociates.com](mailto:pai@progressiveassociates.com)

**1. Experience:**

This firm has experience designing Authority-financed developments.

**2. Architect's License:**

License #: 1301018780, exp. ~~10/31/2020~~ **01/01/2023**

**C. Attorney:**

**Name:** Loomis, Ewert, Parsley, Davis & Gotting,  
A Professional Corporation  
**Address:** 124 W. Allegan Avenue, Suite 700  
Lansing, Michigan 48933  
**Individual Assigned:** Ted Rozeboom  
**Telephone:** (517) 482-2400  
**Fax:** (517) 482-8502  
**E-Mail:** [trozeboom@loomislaw.com](mailto:trozeboom@loomislaw.com)

**1. Experience:**

This firm has experience closing Authority-financed developments.

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**D. Builder:**

**Name:** Reenders, Inc.  
**Address:** 950 Taylor Avenue  
Grand Haven, Michigan 49417

**Individual Assigned:** Dennis H. Reenders  
**Telephone:** (616) 842-2425  
**Fax:** (616) 842-8939  
**E-Mail:** [dreenders@reendersinc.com](mailto:dreenders@reendersinc.com)

**1. Experience:**

The firm has prior experience in constructing Authority-financed developments.

**2. State Licensing Board Registration:**

License No. 2102095836 exp. 05/31/2023, Dennis Howard Reenders, Qualifying Officer

**E. Management and Marketing Agent:**

**Name:** Heritage Property Management, Inc.  
**Address:** 950 Taylor Avenue  
Grand Haven, Michigan 49417

**Individual Assigned:** Scott Reenders  
**Telephone:** (616) 846-4700  
**Fax:** (616) 842-8939  
**E-Mail:** [sreenders@reendersinc.com](mailto:sreenders@reendersinc.com)

**1. Experience:**

Agent has prior experience in managing Authority-financed developments.

**IV. SITE DATA:**

**A. Land Control/Purchase Price:**

~~A Purchase Agreement, dated January 31, 2019, between Louis G. LaFranier Trust and Marvel R. LaFranier Trust ("Seller") and R W Properties I, L.L.C. ("Buyer") to purchase a portion of parcel #28-05-023-041-00, as shown as Parcel "A" on Exhibit A for \$875,000. The expiration date is November 30, 2019, unless otherwise agreed to in writing. A Fourth Amendment to Purchase Agreement, dated January 31, 2019, between Dixie Roethlisberger, as Trustee of the Louis G. LaFranier Trust and the Marvel R. LaFranier Trust ("Seller") and R W Properties I, L.L.C. ("Buyer") to extend the expiration date of the Zoning Contingency Period to November 30, 2020, with the Seller agreeing to proceed to closing no later than 15 days after the close of the Zoning Contingency Period (i.e.: December 15, 2020).~~ **Warranty Deed dated October 19, 2020, from Louis G. LaFranier Revocable Vivos Trust and Marvel R. LaFranier Revocable Inter Vivos Trust conveying to LaFranier Woods Limited Dividend Housing Association**

**Feasibility/Commitment Staff Report**  
**The Village at LaFranier Woods, MSHDA No. 3806**  
**Charter Township of Garfield, Grand Traverse County**  
**~~August 27, 2020~~ October 21, 2021**

**Limited Partnership 2242 LaFranier Road (Parcel 1.1) Traverse City, MI 49686, tax parcel #28-05-023-041-00, for Five Hundred Thousand Dollars (\$500,000).**

**B. Site Location:**

The property is located on the east side of LaFranier Road, with Airport Road South to the north and W. Hammond Road to the south.

**C. Size of Site:**

7.96 acres

**D. Zoning: High Density Residential through an approved PUD.**

**E. Density: Appropriate with PUD approval.**

**F. Physical Description:**

1. Present Use: Vacant land
2. Existing Structures: None
3. Relocation Requirements: None
4. Contiguous Land Uses:

North: Vacant land, Grand Traverse County Health Department, and single- and multi-family residential

South: Vacant land

East: Single- and multi-family residential

West: LaFranier Road and vacant land

**G. Utilities:**

1. Water and Sanitary Sewer: Grand Traverse County
2. Storm Sewer: Grand Traverse County
3. Electricity: Traverse City Light & Power
4. Gas: DTE Energy

**H. Taxes:**

The sponsor has received a new 3.6% Payment in Lieu of Taxes ("PILOT") from the Charter Township of Garfield, with an annual Municipal Services Agreement fee of \$27,400.

**I. Community Facilities:**

1. Shopping:

A Walmart Supercenter is located 2.8 miles northwest of the site, Garfield Village Shopping Center is 2.5 miles to the north, and a Meijer is 1.8 miles to the northwest. Downtown Traverse City is located approximately 4.3 miles north of the site and offers numerous restaurants, banks, and various

**Feasibility/Commitment Staff Report**  
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retail and commercial establishments.

2. Recreation:

Traverse City and surrounding areas offer an array of recreational opportunities with County parks available along Grand Traverse Bay as well as in Traverse City along with the County Civic Center, Northwestern Michigan College, and museums.

3. Public Transportation:

The Grand Traverse County Commission on Aging offers the COAST Bus free for clients. The Cherry Capital Airport is 2.6 miles northeast of the site.

4. Road Systems:

The site is located on LaFranier Road approximately 1 mile south of West South Airport. Highway 31 is located less than 4 miles west of the site.

5. Medical Services and other Nearby Amenities:

Munson Healthcare hospital is approximately 5.1 miles northwest of the site. Grand Traverse County Health Department is less than ½ mile north of the site on LaFranier Road.

6. Description of Surrounding Neighborhood:

The surrounding community is rural and there are multi-family developments along LaFranier Road.

7. Local Community Expenditures Apparent:

None.

8. Indication of Local Support:

Sponsor indicates that the development will seek a 3.6% PILOT from Charter Township of Garfield, with an annual Municipal Services Agreement fee of \$27,400.

**V. ENVIRONMENTAL FACTORS:**

The Phase II Environmental Site Assessment and NEPA ~~will be~~ **has been** reviewed.

**VI. DESIGN AND COSTING STATUS:**

~~Upon~~ **Submission of** all architectural plans and specifications consistent with the scope of work ~~will be~~ **has been** reviewed by the Chief Architect. A response to all design review

**Feasibility/Commitment Staff Report**  
**The Village at LaFranier Woods, MSHDA No. 3806**  
**Charter Township of Garfield, Grand Traverse County**  
**~~August 27, 2020~~ October 21, 2021**

comments and the submission of corrected and final plans and specifications ~~must be~~ **has been** made prior to initial closing.

This proposal will satisfy the State of Michigan barrier-free requirements, the Authority's policy regarding accessibility and non-discrimination for the disabled, the Fair Housing Amendments Act of 1988, and the HOME requirements for barrier-free vision and hearing designed units. Construction documents must be acceptable to the Authority's Chief Architect.

**VII. MARKET SUMMARY:**

The Market study has been reviewed by the Authority's Chief Market Analyst and found to be acceptable. The Authority's Chief Market Analyst has reviewed and approved the unit mix, rental structure, and unit amenities.

**VIII. EQUAL OPPORTUNITY AND FAIR HOUSING:**

The contractor's Equal Employment Opportunity Plan is currently being reviewed, and it must be approved by the Authority's Equal Employment Opportunity Officer. The management and marketing agent's Affirmative Fair Housing Marketing Plan has been approved.

**IX. MANAGEMENT AND MARKETING:**

The management/marketing agent must submit commitment level management and marketing information, and it needs to be approved by the Authority's Director of Asset Management.

**X. FINANCIAL STATEMENTS:**

Financial statements have been submitted.

**XI. DEVELOPMENT SCHEDULING:**

|                                      |   |
|--------------------------------------|---|
| A. Mortgage Loan Commitment:         | <del>August 2020</del> <b>October 2021</b>    |
| B. Initial Closing and Disbursement: | <del>November 2020</del> <b>November 2021</b> |
| C. Construction Completion:          | <del>January 2022</del> <b>January 2023</b>   |
| D. Cut-Off Date:                     | <del>October 2022</del> <b>October 2023</b>   |

**XII. ATTACHMENTS:**

Development Proforma



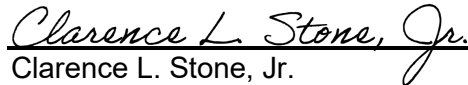
Feasibility/Commitment Staff Report  
The Village at LaFranier Woods, MSHDA No. 3806  
Charter Township of Garfield, Grand Traverse County  
~~August 27, 2020~~ October 21, 2021

**APPROVALS:**



Chad Benson  
Director of Development

\_\_\_\_\_  
Date



Clarence L. Stone, Jr.  
Director of Legal Affairs

\_\_\_\_\_  
Date



Gary Heidel  
Acting Executive Director

\_\_\_\_\_  
Date

Development Village at LaFrancia Woods  
Financing Tax Exempt  
MSHDA No. 3806  
Step Modification  
Date: 10/21/2021  
Type New Construction

| TOTAL DEVELOPMENT COSTS                               |         |                             |                       |                                    |                               |                            |                                    |                                |           |  |                             |                       |                                    |                               |                            |                                    |                                |                |           |
|---|---------|-----------------------------|-----------------------|------------------------------------|-------------------------------|----------------------------|------------------------------------|--------------------------------|-----------|--|-----------------------------|-----------------------|------------------------------------|-------------------------------|----------------------------|------------------------------------|--------------------------------|----------------|-----------|
|   |         | Mortgage<br>Mod Per<br>Unit | Mortgage<br>Mod Total | Included in<br>Tax Credit<br>Basis | Board<br>Approved<br>Per Unit | Board<br>Approved<br>Total | Included in<br>Tax Credit<br>Basis | Difference<br>Mod vs.<br>Board |           |  | Mortgage<br>Mod Per<br>Unit | Mortgage<br>Mod Total | Included in<br>Tax Credit<br>Basis | Board<br>Approved<br>Per Unit | Board<br>Approved<br>Total | Included in<br>Tax Credit<br>Basis | Difference<br>Mod vs.<br>Board | 4 Month<br>OAR |           |
| Acquisition   |         |                             |                       |                                    |                               |                            |                                    |                                |           |  |                             |                       |                                    |                               |                            |                                    |                                |                |           |
| Land  |         | 4,348                       | 500,000               | 0%                                 | 0                             | 4,348                      | 500,000                            | 0                              | 0         | Operating Assurance Reserve                      | 4.0                         | months                | Funded in CA                       | 5,535                         | 636,562                    | 0                                  | 5,430                          | 624,450        | 12,112    |
| Existing Buildings                                    |         | 0                           | 0                     | 100%                               | 0                             | 0                          | 0                                  | 0                              | 0         | Replacement Reserve                              |                             |                       | Not Required                       | 0                             | 0                          | 0                                  | 0                              | 0              | 0         |
| Other:  |         | 0                           | 0                     | 0%                                 | 0                             | 0                          | 0                                  | 0                              | 0         | Operating Deficit Reserve                        |                             |                       |                                    | 0                             | 0                          | 0                                  | 0                              | 0              | 0         |
|   |         | 0                           | 0                     | 0%                                 | 0                             | 0                          | 0                                  | 0                              | 0         | Rent Subsidy Reserve                             |                             |                       |                                    | 0                             | 0                          | 0                                  | 0                              | 0              | 0         |
|   |         | 0                           | 0                     | 0%                                 | 0                             | 0                          | 0                                  | 0                              | 0         | Syndicator Held Reserve                          |                             |                       | 2,291                              | 263,439                       | 0                          | 1,978                              | 227,416                        | 36,023         |           |
|   |         | 0                           | 0                     | 0%                                 | 0                             | 0                          | 0                                  | 0                              | 0         | Rent Lag Escrow                                  |                             |                       | 0                                  | 0                             | 0                          | 0                                  | 0                              | 0              | 0         |
|   |         | 0                           | 0                     | 0%                                 | 0                             | 0                          | 0                                  | 0                              | 0         | Tax and Insurance Escrows                        |                             |                       | 0                                  | 0                             | 0                          | 0                                  | 0                              | 0              | 0         |
|   |         | 0                           | 0                     | 0%                                 | 0                             | 0                          | 0                                  | 0                              | 0         | Other:   |                             |                       | 0                                  | 0                             | 0                          | 0                                  | 0                              | 0              | 0         |
| Subtotal  |         | 4,348                       | 500,000               |                                    |                               | 4,348                      | 500,000                            |                                |           | Miscellaneous                                    |                             |                       | 7,826                              | 900,001                       | 7,408                      | 881,666                            | 48,135                         |                |           |
| Construction/Rehabilitation                           |         |                             |                       |                                    |                               |                            |                                    |                                |           |  |                             |                       |                                    |                               |                            |                                    |                                |                |           |
| Off Site Improvements                                 |         | 0                           | 0                     | 100%                               | 0                             | 0                          | 0                                  | 0                              | 0         | Deposits to Development Operating Account (DMOP) |                             |                       | 0                                  | 0                             | 0                          | 0                                  | 0                              | 0              | 0         |
| On-site Improvements                                  |         | 13,138                      | 1,510,865             | 100%                               | 1,510,865                     | 9,389                      | 1,079,771                          | 1,079,771                      | 431,094   | Other (Not in Basis):                            |                             |                       | 0                                  | 0                             | 0                          | 0                                  | 0                              | 0              | 0         |
| Landscape and Irrigation                              |         | 3,875                       | 445,620               | 100%                               | 445,620                       | 3,875                      | 445,620                            | 445,620                        | 0         | Other (In Basis):                                |                             |                       | 0                                  | 0                             | 0                          | 0                                  | 0                              | 0              | 0         |
| Structures  |         | 138,415                     | 15,917,752            | 100%                               | 15,917,752                    | 115,568                    | 13,260,282                         | 13,260,282                     | 2,627,470 | 1 Other (In Basis):                              |                             |                       | 0                                  | 0                             | 0                          | 0                                  | 0                              | 0              | 0         |
| Community Building and/or Maintenance Facility        |         | 1,043                       | 120,000               | 100%                               | 120,000                       | 913                        | 105,000                            | 105,000                        | 15,000    | Subtotal   |                             |                       | 7,826                              | 900,001                       | 7,408                      | 881,666                            | 48,135                         |                |           |
| Construction not in Tax Credit basis (i.e. Carports)  |         | 13,143                      | 1,500,000             | 0%                                 | 0                             | 12,174                     | 1,480,000                          | 0                              | 100,000   |  |                             |                       | 0                                  | 0                             | 0                          | 0                                  | 0                              | 0              | 0         |
| General Requirements                                  |         | 9,358                       | 1,076,225             | 100%                               | 1,076,225                     | 8,672                      | 997,239                            | 997,239                        | 78,986    |  |                             |                       | 0                                  | 0                             | 0                          | 0                                  | 0                              | 0              | 0         |
| Builder Overhead                                      |         | 3,307                       | 380,268               | 100%                               | 380,268                       | 3,064                      | 352,357                            | 352,357                        | 27,909    |  |                             |                       | 0                                  | 0                             | 0                          | 0                                  | 0                              | 0              | 0         |
| Builder Profit  |         | 10,118                      | 1,163,814             | 100%                               | 1,163,814                     | 9,376                      | 1,078,215                          | 1,078,215                      | 85,599    |  |                             |                       | 0                                  | 0                             | 0                          | 0                                  | 0                              | 0              | 0         |
| Bond Premium, Permits, Cost Cert.                     |         | 4,702                       | 540,688               | 100%                               | 540,688                       | 4,702                      | 540,687                            | 540,687                        | 1         |  |                             |                       | 0                                  | 0                             | 0                          | 0                                  | 0                              | 0              | 0         |
| Other: Temporary Site Security                        |         | 43                          | 5,000                 | 100%                               | 5,000                         | 2,609                      | 300,000                            | 300,000                        | (295,391) | Subtotal   |                             |                       | 0                                  | 0                             | 0                          | 0                                  | 0                              | 0              | 0         |
| Subtotal  |         | 197,044                     | 22,660,029            |                                    |                               | 170,341                    | 19,885,171                         |                                | 3,070,858 |  |                             |                       | 4,348                              | 500,000                       | 4,348                      | 500,000                            |                                |                |           |
| Professional Fees                                     |         |                             |                       |                                    |                               |                            |                                    |                                |           |  |                             |                       |                                    |                               |                            |                                    |                                |                |           |
| Design Architect Fees                                 |         | 1,922                       | 221,000               | 100%                               | 221,000                       | 1,922                      | 221,000                            | 221,000                        | 0         | Total Acquisition Costs                          |                             |                       | 197,044                            | 22,660,029                    | 170,341                    | 19,885,171                         |                                |                | 3,070,858 |
| Supervisory Architect Fees                            |         | 209                         | 24,000                | 100%                               | 24,000                        | 209                        | 24,000                             | 24,000                         | 0         | Total Construction Hard Costs                    |                             |                       | 33,885                             | 3,896,809                     | 32,283                     | 3,769,101                          |                                |                | 187,708   |
| Engineering/Survey                                    |         | 304                         | 35,000                | 100%                               | 35,000                        | 304                        | 35,000                             | 35,000                         | 0         | Total Non-Construction ("Soft") Costs            |                             |                       | 18,261                             | 2,100,000                     | 18,261                     | 2,100,000                          |                                |                | 0         |
| Other: Soil Bc  |         | 65                          | 7,500                 | 100%                               | 7,500                         | 65                         | 7,500                              | 7,500                          | 0         | Developer Overhead and Fee                       |                             |                       | 18,261                             | 2,100,000                     | 18,261                     | 2,100,000                          |                                |                | 0         |
| Subtotal  |         | 2,590                       | 287,500               |                                    |                               | 2,590                      | 287,500                            |                                | 0         | Maximum  |                             |                       | 3,953,528                          |                               | 18,261                     | 2,100,000                          | 2,100,000                      |                | 0         |
| Interim Construction Costs                            |         |                             |                       |                                    |                               |                            |                                    |                                |           |  |                             |                       |                                    |                               |                            |                                    |                                |                |           |
| Property and Casualty Insurance                       |         | 1,001                       | 115,069               | 100%                               | 115,069                       | 583                        | 67,200                             | 67,200                         | 48,869    | 75% of Acquisition/Project Reserves              |                             |                       | 18,261                             | 2,100,000                     | 18,261                     | 2,100,000                          |                                |                | 0         |
| Construction Loan Interest                            |         | 364,798                     | 3,172                 | 364,798                            | 364,798                       | 2,728                      | 331,681                            | 331,681                        | 51,117    | 15% of All Other Development Costs               |                             |                       | 2,100,000                          |                               | 18,261                     | 2,100,000                          | 2,100,000                      |                | 0         |
| Title Work  |         | 348                         | 40,000                | 100%                               | 40,000                        | 348                        | 40,000                             | 40,000                         | 0         | LIHTC  |                             |                       | LIHTC                              |                               | LIHTC                      |                                    | LIHTC                          |                | LIHTC     |
| Legal & Other Professional Fees (in Tax Credit Basis) |         | 348                         | 40,000                | 100%                               | 40,000                        | 348                        | 40,000                             | 40,000                         | 0         | LIHTC Basis                                      |                             |                       | LIHTC                              |                               | LIHTC                      |                                    | LIHTC                          |                | LIHTC     |
| Construction Taxes                                    |         | 278                         | 32,000                | 100%                               | 32,000                        | 278                        | 32,000                             | 32,000                         | 0         | Aggregate  |                             |                       | 25,359,397                         | 28,116,638                    | 22,117,408                 | 3,192,199                          |                                |                | 3,258,566 |
| Other: Zoning   |         | 667                         | 76,500                | 100%                               | 76,500                        | 667                        | 76,500                             | 76,500                         | 0         | Board Approved                                   |                             |                       | 25,359,397                         | 28,116,638                    | 22,117,408                 | 3,192,199                          |                                |                | 3,258,566 |
| Subtotal  |         | 6,813                       | 668,517               |                                    |                               | 4,951                      | 668,331                            |                                | 99,186    | Home   |                             |                       | 25,359,397                         | 28,116,638                    | 22,117,408                 | 3,192,199                          |                                |                | 3,258,566 |
| Permanent Financing                                   |         |                             |                       |                                    |                               |                            |                                    |                                |           |  |                             |                       |                                    |                               |                            |                                    |                                |                |           |
| Loan Commitment Fee to MSHDA                          |         | 2%                          | 4,049                 | 465,060                            | 0%                            | 0                          | 0                                  | 0                              | 46,831    | Gap to Hard Ratio                                |                             |                       | 25,359,397                         | 28,116,638                    | 22,117,408                 | 3,192,199                          |                                |                | 3,258,566 |
| Other:  |         | 0                           | 0                     | 0%                                 | 0                             | 0                          | 0                                  | 0                              | 0         | Home   |                             |                       | 25,359,397                         | 28,116,638                    | 22,117,408                 | 3,192,199                          |                                |                | 3,258,566 |
| Subtotal  |         | 4,049                       | 465,060               |                                    |                               | 3,642                      | 416,829                            |                                | 46,831    | Subsidy Limit                                    |                             |                       | 25,359,397                         | 28,116,638                    | 22,117,408                 | 3,192,199                          |                                |                | 3,258,566 |
| Other Costs (in Basis)                                |         |                             |                       |                                    |                               |                            |                                    |                                |           |  |                             |                       |                                    |                               |                            |                                    |                                |                |           |
| Application Fee                                       |         | 39                          | 4,500                 | 100%                               | 4,500                         | 39                         | 4,500                              | 4,500                          | 0         | MSHDA Permanent Mortgage                         |                             |                       | 63.82%                             | 161,809                       | 18,008,006                 | 141,447                            | 16,266,426                     | 2,341,580      |           |
| Market Study  |         | 67                          | 6,500                 | 100%                               | 6,500                         | 67                         | 6,500                              | 6,500                          | 0         | Conventional/Other Mortgage                      |                             |                       | 0.00%                              | 0                             | 0                          | 0                                  | 0                              | 0              | 0         |
| Environmental Studies                                 |         | 196                         | 22,500                | 100%                               | 22,500                        | 196                        | 22,500                             | 22,500                         | 0         | Equity Contribution from Tax Credit Syndicator   |                             |                       | 14.59%                             | 36,979                        | 4,252,599                  | 31,476                             | 3,619,697                      | 632,902        |           |
| Cost Certification                                    |         | 87                          | 10,000                | 100%                               | 10,000                        | 87                         | 10,000                             | 10,000                         | 0         | MSHDA NSP Funds                                  |                             |                       | 0.00%                              | 0                             | 0                          | 0                                  | 0                              | 0              | 0         |
| Equipment and Furnishings                             |         | 4,661                       | 536,000               | 100%                               | 536,000                       | 4,661                      | 536,000                            | 536,000                        | 0         | MSHDA HOME or Housing Trust Funds                |                             |                       | 7.12%                              | 18,043                        | 2,075,000                  | 11,000                             | 18,043                         | 2,075,000      | 0         |
| Temporary Tenant Relocation                           |         | 0                           | 0                     | 100%                               | 0                             | 0                          | 0                                  | 0                              | 0         | Mortgage Resource Funds                          |                             |                       | 8.92%                              | 22,609                        | 2,600,000                  | 22,609                             | 2,600,000                      | 0              | 0         |
| Construction Contingency                              |         | 0                           | 0                     | 100%                               | 0                             | 0                          | 0                                  | 0                              | 0         | Other MSHDC                                      |                             |                       | 0.00%                              | 0                             | 0                          | 0                                  | 0                              | 0              | 0         |
| Appraisal and C.N.A.                                  |         | 17                          | 1,942                 | 100%                               | 1,942                         | 17                         | 1,942                              | 1,942                          | 0         | Local HOME                                       |                             |                       | 0.00%                              | 0                             | 0                          | 0                                  | 0                              | 0              | 0         |
| Other: Van/ls   |         | 721                         | 82,009                | 100%                               | 82,009                        | 721                        | 82,009                             | 82,009                         | 0         | Income from Operations                           |                             |                       | 0.67%                              | 1,697                         | 195,192                    | 1,608                              | 184,875                        | 10,317         |           |
| Subtotal  |         | 6,777                       | 664,351               |                                    |                               | 5,777                      | 664,351                            |                                | 99,186    | Other Equity                                     |                             |                       | 0.00%                              | 0                             | 0                          | 0                                  | 0                              | 0              | 0         |
| Other Costs (NOT in Basis)                            |         |                             |                       |                                    |                               |                            |                                    |                                |           |  |                             |                       |                                    |                               |                            |                                    |                                |                |           |
| Start-Up and Organization                             |         | 87                          | 10,000                | 0%                                 | 0                             | 87                         | 10,000                             | 0                              | 0         | Transferred Reserves:                            |                             |                       | 0.00%                              | 0                             | 0                          | 0                                  | 0                              | 0              | 0         |
| Tax Credit Fees (based on 2017 OAP)                   | 30,389  | 264                         | 30,389                | 0%                                 | 0                             | 228                        | 26,252                             | 0                              | 4,137     | Deferred Developer Fee                           |                             |                       | 3.43%                              | 8,696                         | 1,000,000                  | 47.62%                             | 6,373                          | 732,033        | 34.90%    |
| Compliance Monitoring Fee (based on 2017 OAP)         |         | 248                         | 28,500                | 0%                                 | 0                             | 248                        | 28,500                             | 0                              | 0         | Total Permanent Sources                          |                             |                       | 29,156,838                         |                               | 25,898,271                 |                                    | 3,258,567                      |                |           |
| Marketing Expense                                     |         | 1,628                       | 187,000               | 0%                                 | 0                             | 1,628                      | 187,000                            | 0                              | 0         | LIHTC/TCAP                                       |                             |                       | 464,811                            | 464,811                       | 464,811                    | 464,811                            | 0                              | 0              |           |
| Syndication Legal Fees                                |         | 43                          | 5,000                 | 0%                                 | 0                             | 43                         | 5,000                              | 0                              | 0         | Acquisition                                      |                             |                       | 464,811                            | 464,811                       | 464,811                    | 464,811                            | 0                              | 0              |           |
| Rent Up Allowance                                     | 9.0     | 5,651                       | 649,691               | 0                                  | 0                             | 5,743                      | 669,472                            | 0                              | (10,939)  | Construction                                     |                             |                       | 464,811                            | 464,811                       | 464,811                    | 464,811                            | 0                              | 0              |           |
| Other:  |         | 0                           | 0                     | 0%                                 | 0                             | 0                          | 0                                  | 0                              | 0         | Equity Price                                     |                             |                       | 464,811                            | 464,811                       | 464,811                    | 464,811                            | 0                              | 0              |           |
| Subtotal  |         | 7,929                       | 910,780               |                                    |                               | 7,976                      | 917,224                            |                                | (6,444)   | Equity Effective Price                           |                             |                       | 464,811                            | 464,811                       | 464,811                    | 464,811                            | 0                              | 0              |           |
| Summary of Acquisition Price                          |         |                             |                       |                                    |                               |                            |                                    |                                |           |  |                             |                       |                                    |                               |                            |                                    |                                |                |           |
| Attributed to Land                                    | 500,000 | As of 01/05/2019            |                       |                                    |                               |                            |                                    |                                |           | Equity Contribution                              |                             |                       | 4,252,599                          | 4,252,599                     | 4,252,599                  | 4,252,599                          | 0                              | 0              | 0         |
| Attributed to Existing Structure                      | 0       | 1st Mortgage Balance        |                       |                                    |                               |                            |                                    |                                |           | Equity Contribution                              |                             |                       | 4,252,599                          | 4,252,599                     | 4,252,599                  | 4,252,599                          | 0                              | 0              | 0         |
| Other:  | 0       | Subordinate Mortgage(s)     |                       |                                    |                               |                            |                                    |                                |           | Equity Contribution                              |                             |                       | 4,252,599                          | 4,252,599                     | 4,252,599                  | 4,252,599                          | 0                              | 0              | 0         |
| Fixed Price to Seller                                 | 500,000 | Subordinate Mortgage(s)     |                       |                                    |                               |                            |                                    |                                |           | Equity Contribution                              |                             |                       | 4,252,599                          | 4,252,599                     | 4,252,599                  | 4,252,599                          | 0                              | 0              | 0         |
| Premium/Deficit vs Existing Debt                      | 500,000 |                             |                       |                                    |                               |                            |                                    |                                |           | Equity Contribution                              |                             |                       | 4,252,599                          | 4,252,599                     | 4,252,599                  | 4,252,599                          | 0                              | 0              | 0         |
| Subtotal  |         | 7,929                       | 910,780               |                                    |                               | 7,976                      | 917,224                            |                                | (6,444)   | Equity Contribution                              |                             |                       | 4,252,599                          | 4,252,599                     | 4,252,599                  | 4,252,599                          | 0                              | 0              | 0         |
| Appraised Value                                       |         |                             |                       |                                    |                               |                            |                                    |                                |           |  |                             |                       |                                    |                               |                            |                                    |                                |                |           |
| "Encumbered As-Is" value as determined by appraisal:  | 650,000 | Value As of 04/29/19        |                       |                                    |                               |                            |                                    |                                |           | Equity Contribution                              |                             |                       | 4,252,599                          | 4,252,599                     | 4,252,599                  | 4,252,599                          | 0                              | 0              | 0         |
| Plus 0% of Appraised Value:                           | 0       |                             |                       |                                    |                               |                            |                                    |                                |           | Equity Contribution                              |                             |                       | 4,252,599                          | 4,252,599                     | 4,252,599                  | 4,252,599                          | 0                              | 0              | 0         |
| LESS Fixed Price to the Seller:                       | 500,000 |                             |                       |                                    |                               |                            |                                    |                                |           | Equity Contribution                              |                             |                       | 4,252,599                          | 4,252,599                     | 4,252,599                  | 4,252,599                          | 0                              | 0              | 0         |
| Surplus/Gap:  | 150,000 |                             |                       |                                    |                               |                            |                                    |                                |           | Equity Contribution                              |                             |                       | 4,252,599                          | 4,252,599                     | 4,252,599                  | 4,252,599                          | 0                              | 0              | 0         |

Development Village at LaFranier Woods  
 Financing Tax Exempt  
 MSHDA No. 3806

Step Modification  
 Date 10/21/2021  
 Type New Construction

Mortgage Assumptions:  
 Debt Coverage Ratio 1.15  
 Mortgage Interest Rate 4.200%  
 Pay Rate 4.200%  
 Mortgage Term 40 years  
 Income from Operations No

115 Total Units  
 60 TC Units  
 605988

|   |                                | <u>Mortgage</u><br><u>Mod Per</u><br><u>Unit</u> | <u>Mortgage</u><br><u>Mod Total</u> | <u>Board</u><br><u>Approved</u><br><u>Per Unit</u> | <u>Board</u><br><u>Approved</u><br><u>Total</u> | <u>Difference</u><br><u>Mod vs.</u><br><u>Board</u> | <u>Initial</u><br><u>Inflation</u><br><u>Factor</u> | <u>Beginning</u><br><u>in Year</u> | <u>Future</u><br><u>Inflation</u><br><u>Factor</u> |
|---|--------------------------------|--|-------------------------------------|--|---|---|---|------------------------------------|--|
| <b>Total Development Income Potential</b> |                                |  |                                     |  |   |   |   |                                    |  |
| Annual Rental Income                      |                                | 17,328   | 1,992,708                           | 16,969   | 1,951,440                                       | 41,268  | 1.0%  | 6                                  | 2.0%   |
| Annual Non-Rental Income                  |                                | 532  | 61,160                              | 532  | 61,160  | 0   | 1.0%  | 6                                  | 2.0%   |
| Total Project Revenue                     |                                | 17,860   | 2,053,868                           | 17,501   | 2,012,600                                       | 41,268  |   |                                    |  |
| <b>Total Development Expenses</b>         |                                |  |                                     |  |   |   |   |                                    |  |
| Vacancy Loss                              | 5.00% of annual rent potential | 866  | 99,635                              | 848  | 97,572  | 2,063   |   |                                    |  |
| Management Fee                            | 534 per unit per year          | 534  | 61,410                              | 534  | 61,410  | 0   |   |                                    |  |
| Administration                            |                                | 3,043  | 350,000                             | 3,043  | 350,000   | 0   | 3.0%  | 1                                  | 3.0%   |
| Project-paid Fuel                         |                                | 100  | 11,500                              | 100  | 11,500  | 0   | 3.0%  | 6                                  | 3.0%   |
| Common Electricity                        |                                | 270  | 31,000                              | 270  | 31,000  | 0   | 4.0%  | 6                                  | 3.0%   |
| Water and Sewer                           |                                | 395  | 45,425                              | 395  | 45,425  | 0   | 5.0%  | 6                                  | 5.0%   |
| Operating and Maintenance                 |                                | 1,787  | 205,500                             | 1,787  | 205,500   | 0   | 3.0%  | 1                                  | 3.0%   |
| Real Estate Taxes                         |                                | 0  | 0                                   | 0  | 0   | 0   | 5.0%  | 1                                  | 5.0%   |
| Payment in Lieu of Taxes (PILOT)          | 3.60% Applied to: All Units    | 565  | 64,985                              | 553  | 63,574  | 1,411   |   |                                    |  |
| Insurance                                 |                                | 174  | 20,000                              | 174  | 20,000  | 0   | 3.0%  | 1                                  | 3.0%   |
| Replacement Reserve                       | 275 per unit per year          | 275  | 31,625                              | 275  | 31,625  | 0   | 3.0%  | 1                                  | 3.0%   |
| Other: Municipal                          |                                | 238  | 27,400                              | 238  | 27,400  | 0   | 2.5%  | 1                                  | 3.0%   |
| Other:                                    |                                | 0  | 0                                   | 0  | 0   | 0   | 3.0%  | 1                                  | 3.0%   |
|   |                                |  |                                     |  |   |   |   |                                    |  |
|   | % of Revenue                   |  |                                     |  |   |   |   |                                    |  |
| <b>Total Expenses</b>                     | 46.18%                         | <b>8,248</b>                                     | <b>948,481</b>                      | <b>8,217</b>                                       | <b>945,006</b>                                  | 3,475   |   |                                    |  |
| Base Net Operating Income                 |                                | 9,612  | 1,105,387                           | 9,283  | 1,067,594                                       | 37,793  |   |                                    |  |
| Part A Mortgage Payment                   | 46.80%                         | 8,358  | 961,206                             | 8,073  | 928,343   | 32,864  |   |                                    |  |
| <b>Part A Mortgage</b>                    |                                | <b>161,809</b>                                   | <b>18,608,006</b>                   | <b>141,447</b>                                     | <b>#####</b>                                    | 2,341,580   |   |                                    |  |
| Non MSHDA Financing Mortgage Payment      |                                | 0  | 0                                   |  | 0   | 0   |   |                                    |  |
| <b>Non MSHDA Financing Type:</b>          |                                | <b>0</b>   | <b>0</b>                            |  | <b>0</b>  | <b>0</b>  |   |                                    |  |
| Base Project Cash Flow (excludes ODR)     | 7.02%                          | 1,254  | 144,181                             | 1,211  | 139,251   | 4,930   |   |                                    |  |

Override

Development Village at LaFranier Woods  
Financing Tax Exempt  
MSHDA No. 3806  
Step Modification  
Date 10/21/2021  
Type New Construction

|                    | Income Limits for |          |          |          |          |          |
|--------------------|-------------------|----------|----------|----------|----------|----------|
|                    | 1 Person          | 2 Person | 3 Person | 4 Person | 5 Person | 6 Person |
| 30% of area median | 17,850            | 20,400   | 22,950   | 25,500   | 27,540   | 29,580   |
| 40% of area median | 23,800            | 27,200   | 30,600   | 34,000   | 36,720   | 39,440   |
| 50% of area median | 29,750            | 34,000   | 38,250   | 42,500   | 45,900   | 49,300   |
| 60% of area median | 35,700            | 40,800   | 45,900   | 51,000   | 55,080   | 59,160   |

Rental Income

| Unit          | No. of Units   | Unit Type | Bedrooms | Baths | Net Sq. Ft. | Contract Rent | Utilities | Total Housing Expense | Gross Rent | Current Section 8 Contract Rent | % of Gross Rent | % of Total Units | Gross Square Feet | % of Total Square Feet | TC Units Square Feet | Unit Type | Max Allowed Housing Expense | Rent Limited By | Differential: Under/ (over) | Differential % | Effective AMI% | Contract Rent/Sq. Foot |
|---------------|--|-----------|----------|-------|-------------|---------------|-----------|-----------------------|------------|---------------------------------|-----------------|------------------|-------------------|------------------------|----------------------|-----------|-----------------------------|-----------------|-----------------------------|----------------|----------------|------------------------|
| 60% Senior    | Area Median Income Units<br>Tenant AMI Restriction (if different from rent restriction)<br>Occupancy |           |          |       |             |               |           |                       |            |                                 |                 |                  |                   |                        |                      |           |                             |                 |                             |                |                |                        |
| A             | 1  | Apartment | 1        | 1.0   | 685         | 749           | 47        | 796                   | 8,988      | 0                               | 0.5%            | 0.9%             | 685               | 0.7%                   | 685                  | Low HOME  | 759                         | TC Rent         | (37)                        | -4.87%         | 49.98%         | \$1.09                 |
| C             | 2  | Apartment | 2        | 1.5   | 937         | 909           | 47        | 956                   | 21,816     | 0                               | 1.1%            | 1.7%             | 1,874             | 1.9%                   | 1,874                | Low HOME  | 911                         | TC Rent         | (45)                        | -4.94%         | 50.01%         | \$0.97                 |
|               |  |           |          |       |             |               |           |                       | 30,804     | 0                               | 1.5%            | 2.6%             | 2,559             | 2.6%                   | 2,559                |           |                             |                 |                             |                |                |                        |
| 60% Senior    | Area Median Income Units<br>Occupancy  |           |          |       |             |               |           |                       |            |                                 |                 |                  |                   |                        |                      |           |                             |                 |                             |                |                |                        |
| A             | 4  | Apartment | 1        | 1.0   | 685         | 800           | 47        | 847                   | 38,400     | 0                               | 1.9%            | 3.5%             | 2,740             | 2.8%                   | 2,740                | High HOME | 788                         | TC Rent         | (59)                        | -7.49%         | 53.18%         | \$1.17                 |
| C             | 4  | Apartment | 2        | 1.5   | 937         | 952           | 47        | 999                   | 45,696     | 0                               | 2.3%            | 3.5%             | 3,748             | 3.8%                   | 3,748                | High HOME | 911                         | TC Rent         | (88)                        | -9.66%         | 52.26%         | \$1.02                 |
|               |  |           |          |       |             |               |           |                       | 84,096     | 0                               | 4.2%            | 7.0%             | 6,488             | 6.6%                   | 6,488                |           |                             |                 |                             |                |                |                        |
| 60% Senior    | Area Median Income Units<br>Occupancy  |           |          |       |             |               |           |                       |            |                                 |                 |                  |                   |                        |                      |           |                             |                 |                             |                |                |                        |
| A             | 36   | Apartment | 1        | 1.0   | 685         | 909           | 47        | 956                   | 392,688    | 0                               | 19.7%           | 31.3%            | 24,660            | 24.9%                  | 24,660               | 0         | 956                         | TC Rent         | 0                           | 0.00%          | 60.02%         | \$1.33                 |
| C             | 12   | Apartment | 2        | 1.5   | 937         | 1,100         | 47        | 1,147                 | 158,400    | 0                               | 7.9%            | 10.4%            | 11,244            | 11.4%                  | 11,244               | 0         | 1,147                       | TC Rent         | 0                           | 0.00%          | 60.01%         | \$1.17                 |
|               |  |           |          |       |             |               |           |                       | 551,088    | 0                               | 27.7%           | 41.7%            | 35,904            | 36.3%                  | 35,904               |           |                             |                 |                             |                |                |                        |
| Market Senior | Rate Units<br>Occupancy  |           |          |       |             |               |           |                       |            |                                 |                 |                  |                   |                        |                      |           |                             |                 |                             |                |                |                        |
| A             | 5  | Apartment | 1        | 1.0   | 685         | 1,430         | 47        | 1,477                 | 85,800     | 0                               | 4.3%            | 4.3%             | 3,425             | 3.5%                   | 0                    | 0         | N/A                         | N/A             | N/A                         | N/A            | 92.73%         | \$2.09                 |
| B             | 1  | Apartment | 1        | 1.0   | 794         | 1,550         | 47        | 1,597                 | 18,600     | 0                               | 0.9%            | 0.9%             | 794               | 0.8%                   | 0                    | 0         | N/A                         | N/A             | N/A                         | N/A            | 100.27%        | \$1.95                 |
| C             | 11   | Apartment | 2        | 1.5   | 937         | 1,865         | 47        | 1,912                 | 246,180    | 0                               | 12.4%           | 9.6%             | 10,307            | 10.4%                  | 0                    | 0         | N/A                         | N/A             | N/A                         | N/A            | 100.03%        | \$1.99                 |
| D             | 7  | Apartment | 2        | 2.0   | 937         | 1,980         | 47        | 2,027                 | 166,320    | 0                               | 8.3%            | 6.1%             | 6,559             | 6.6%                   | 0                    | 0         | N/A                         | N/A             | N/A                         | N/A            | 106.04%        | \$2.11                 |
| E             | 4  | Apartment | 2        | 1.5   | 1,106       | 2,065         | 47        | 2,112                 | 99,120     | 0                               | 5.0%            | 3.5%             | 4,424             | 4.5%                   | 0                    | 0         | N/A                         | N/A             | N/A                         | N/A            | 110.49%        | \$1.87                 |
| F             | 4  | Apartment | 2        | 2.0   | 983         | 1,925         | 47        | 1,972                 | 92,400     | 0                               | 4.6%            | 3.5%             | 3,932             | 4.0%                   | 0                    | 0         | N/A                         | N/A             | N/A                         | N/A            | 103.17%        | \$1.96                 |
|               |  |           |          |       |             |               |           |                       | 708,420    | 0                               | 35.6%           | 27.8%            | 29,441            | 29.8%                  | 0                    |           |                             |                 |                             |                |                |                        |
| Market Senior | Rate Units<br>Occupancy<br>Deluxe Units  |           |          |       |             |               |           |                       |            |                                 |                 |                  |                   |                        |                      |           |                             |                 |                             |                |                |                        |
| C             | 8  | Apartment | 2        | 1.5   | 937         | 2,010         | 47        | 2,057                 | 192,960    | 0                               | 9.7%            | 7.0%             | 7,496             | 7.6%                   | 0                    | 0         | N/A                         | N/A             | N/A                         | N/A            | 107.61%        | \$2.15                 |
| D             | 5  | Apartment | 2        | 2.0   | 937         | 2,170         | 47        | 2,217                 | 130,200    | 0                               | 6.5%            | 4.3%             | 4,685             | 4.7%                   | 0                    | 0         | N/A                         | N/A             | N/A                         | N/A            | 115.98%        | \$2.32                 |
| E             | 5  | Apartment | 2        | 1.5   | 1,106       | 2,325         | 47        | 2,372                 | 139,500    | 0                               | 7.0%            | 4.3%             | 5,530             | 5.6%                   | 0                    | 0         | N/A                         | N/A             | N/A                         | N/A            | 124.09%        | \$2.10                 |
| F             | 1  | Apartment | 2        | 2.0   | 1,260       | 2,525         | 47        | 2,572                 | 30,300     | 0                               | 1.5%            | 0.9%             | 1,260             | 1.3%                   | 0                    | 0         | N/A                         | N/A             | N/A                         | N/A            | 134.55%        | \$2.00                 |
| G             | 2  | Apartment | 2        | 2.0   | 1,361       | 2,600         | 47        | 2,647                 | 62,400     | 0                               | 3.1%            | 1.7%             | 2,722             | 2.8%                   | 0                    | 0         | N/A                         | N/A             | N/A                         | N/A            | 138.48%        | \$1.91                 |
| H             | 1  | Apartment | 2        | 2.0   | 1,548       | 2,775         | 47        | 2,822                 | 33,300     | 0                               | 1.7%            | 0.9%             | 1,548             | 1.6%                   | 0                    | 0         | N/A                         | N/A             | N/A                         | N/A            | 147.63%        | \$1.79                 |
| I             | 1  | Apartment | 2        | 2.0   | 1,211       | 2,470         | 47        | 2,517                 | 29,640     | 0                               | 1.5%            | 0.9%             | 1,211             | 1.2%                   | 0                    | 0         | N/A                         | N/A             | N/A                         | N/A            | 131.68%        | \$2.04                 |
| J             | 0  | Apartment | 2        | 1.5   | 1,029       | 2,115         | 47        | 2,162                 | 0          | 0                               | 0.0%            | 0.0%             | 0                 | 0.0%                   | 0                    | 0         | N/A                         | N/A             | N/A                         | N/A            | 113.10%        | \$2.06                 |
|               |  |           |          |       |             |               |           |                       | 618,300    | 0                               | 31.0%           | 20.0%            | 24,452            | 24.7%                  | 0                    |           |                             |                 |                             |                |                |                        |
|               |  |           |          |       |             |               |           |                       | 0          | 0                               | 0.0%            | 0.0%             | 0                 | 0.0%                   | 0                    |           |                             |                 |                             |                |                |                        |
| Mgns          | 1  | 1         | 1        | 1.0   |             |               |           |                       |            |                                 |                 |                  |                   |                        |                      |           |                             |                 |                             |                |                |                        |

|                 |     |  |                      |           |                              |      |              |
|-----------------|-----|--|----------------------|-----------|------------------------------|------|--------------|
| Total Units     | 115 |  | Gross Rent Potential | 1,992,708 | HOME Units SF/Total Units SF | 9.2% | Within Range |
| Income Aveaging | 59% |  | Average Monthly Rent | 1,444     | # HOME Units/# Total Units   | 9.6% | Within Range |
| Set Aside       | 52% |  | Gross Square Footage | 98,844    |                              |      |              |

Utility Allowances

| Tenant-Paid | Tenant-Paid | Tenant-Paid | Owner-Paid | Owner-Paid |  |  |
|-------------|-------------|-------------|------------|------------|--|--|
|-------------|-------------|-------------|------------|------------|--|--|

|                                 |        |
|---------------------------------|--------|
| Non-Rental Income               |        |
| Misc. and Interest              | 9,000  |
| Laundry                         | 0      |
| Carports                        | 12,960 |
| Garages 24 @ \$50               | 14,400 |
| Guest Ste., Strg., Handyman, Ss | 24,800 |
|                                 | 61,160 |

|   | Electricity | A/C | Gas | Water/ Sewer | Other | Total | Ovende |
|---|-------------|-----|-----|--------------|-------|-------|--------|
| A | 0           | 0   | 0   | 0            | 0     | 47    | 47     |
| B | 0           | 0   | 0   | 0            | 0     | 47    | 47     |
| C | 0           | 0   | 0   | 0            | 0     | 47    | 47     |
| D | 0           | 0   | 0   | 0            | 0     | 47    | 47     |
| E | 0           | 0   | 0   | 0            | 0     | 47    | 47     |
| F | 0           | 0   | 0   | 0            | 0     | 47    | 47     |
| G | 0           | 0   | 0   | 0            | 0     | 47    | 47     |
| H | 0           | 0   | 0   | 0            | 0     | 47    | 47     |

| Total Income          | Annual    | Monthly     |
|-----------------------|-----------|-------------|
| Rental Income         | 1,992,708 | 166059      |
| Non-Rental Income     | 61,160    | 5096.666667 |
| Total Project Revenue | 2,053,868 | 171155.6667 |

**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY**

**RESOLUTION AUTHORIZING MODIFICATION TO MORTGAGE TERMS  
THE VILLAGE AT LAFRANIER WOODS, MSHDA DEVELOPMENT NO. 3806  
GARFIELD TOWNSHIP, GRAND TRAVERSE COUNTY**

**October 21, 2021**

WHEREAS, on August 27, 2020, the Michigan State Housing Development Authority (the "Authority") authorized a construction and permanent mortgage loan (the "Mortgage Loan"), a Mortgage Resource Fund ("MRF") mortgage loan (the "MRF Loan"), and a HOME mortgage loan (the "HOME Loan") (collectively the Mortgage Loans) for the acquisition and construction of The Village at LaFranier Woods, MSHDA No. 3806 (the "Development"); and

WHEREAS, for a variety of reasons including a global pandemic adversely affecting construction costs, building this ninety-unit Development is no longer viable as originally planned. Remedial measures include modifying the Mortgage Loan by reducing the interest rate by 0.7% and increasing the loan amount. Increasing the deferred development fee and rental rate modifications are planned as well as detailed in the Updated Mortgage Loan Feasibility/Commitment Staff Report dated October 21, 2021 (the "Updated Staff Report"); and

WHEREAS, without these modifications the mortgagor of the Development would encounter financial difficulties that may cause it to become delinquent in the payments due under the Mortgage Loan and other payments owed to the Authority; and

WHEREAS, the Authority's Mortgage Loan Increase Policy dated August 26, 2021, requires Authority approval for loan increases greater than 5% of the original mortgage loan amount or \$900,000. This Mortgage Loan increase is greater than 5% or \$900,000; and

WHEREAS, for the reasons set forth in the Memorandum of the Acting Executive Director and the Updated Staff Report, which are attached hereto and incorporated herein, the Acting Executive Director has recommended that the Mortgage Loan be modified as set forth in the Updated Staff Report; and

WHEREAS, the Authority concurs in the recommendation of the Acting Executive Director.

NOW, THEREFORE, the Michigan State Housing Development Authority hereby resolves as follows:

1. The loan modifications proposed for Village at LaFranier Woods, MSHDA No. 3806 as incorporated in the accompanying Updated Staff Report are hereby approved and further, the Executive Director, the Director of Legal Affairs, the Deputy Director of Legal Affairs and the Chief Financial Officer, or any person duly acting in such capacity (each, an "Authorized Officer"), or any of them, is hereby authorized to take any further actions that, in the discretion of the Authorized Officer, are necessary to effectuate the terms as set forth in the Updated Staff Report.



# MSHDA

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

## M E M O R A N D U M

**TO:** Authority Members

**FROM:** Gary Heidel, Acting Executive Director *Gy Heidel*

**DATE:** October 21, 2021

**RE:** River Terrace Apartments, Development No. 44c-185 (the "Development")

---

### **RECOMMENDATION:**

I recommend that the Michigan State Housing Development Authority (the "Authority") adopt an inducement resolution with respect to the project described in the attached report.

### **EXECUTIVE SUMMARY:**

MHT Housing, Inc. ("Sponsor") proposes to acquire and rehabilitate the Development, which consists of 270 senior and family affordable housing units located in the City of Benton Harbor, Berrien County, Michigan. The Development is currently subject to a low income housing tax credit regulatory agreement, and will be acquired and rehabilitated using a construction loan financed with the proceeds of a single issue of bonds issued pursuant to Section 44c of the Authority's enabling act. The Development, as proposed, meets the requirements of Section 44c, and repayment of the bonds will be reasonably secure based on a forward commitment from Fannie Mae for issuance of an MBS as Tax-Exempt Bond Collateral, upon the conversion of a construction loan from The Huntington Bank, the proceeds of which will provide the cash collateral to secure such repayment.

I am recommending Board approval for the following reasons:

- The Developer's application satisfies the requirements for the issuance of an inducement resolution under Section 44c of the Authority's Act and the Amended and Restated Pass-Through Bond Program statement.
- 270 units of senior and family housing will be rehabilitated in the Benton Harbor community.
- The repayment of the limited obligation bonds will be reasonably secure based on the proposed collateral.

**ADVANCING THE AUTHORITY'S MISSION:**

- Approving an inducement resolution will allow this proposal to incur costs necessary for acquiring and rehabilitating the Development.
- 90% of the units are reserved for tenants who are income-eligible for Section 8 housing and will be further restricted to seniors and families at no more than 60% of area median income. In addition, ten percent (10%) of the units must be targeted to households whose income is at or below 40% of area median income.
- Affordable housing in the City of Benton Harbor will be preserved and its useful life extended.

**MUNICIPAL SUPPORT:**

- The Development has been granted a tax exemption and payment in lieu of taxes under the Act, which the sponsor seeks to extend.

**COMMUNITY ENGAGEMENT/IMPACT:**

- It is anticipated that the construction or rehabilitation of the Development will create 9 permanent jobs and 75 temporary construction-related jobs.

**RESIDENT IMPACT:**

- The existing residents will benefit from a comprehensive rehabilitation of the Development.
- Immediate and long-term capital needs of the Development will be addressed.
- Extensive interior and exterior improvements will be made, which will include, but not be limited to, new kitchen and bathroom cabinets, countertops and flooring, energy-efficient appliances, upgraded HVAC systems, parking lot and landscaping upgrades, improved common area lighting, exterior facades, and window and roof replacements.
- Renovations will allow the Development to meet UFAS/ADA/FHA accessibility requirements.

**ISSUES, POLICY CONSIDERATIONS, AND RELATED ACTIONS:**

None.



## **AMENDED AND RESTATED PASS-THROUGH PROGRAM**

### **INDUCEMENT RESOLUTION STAFF REPORT**

**October 21, 2021**

#### **RECOMMENDATION:**

**Adopt an inducement resolution with respect to the project described in this report.**

|                                       |   |
|---------------------------------------|---|
| <b><u>MSHDA No.:</u></b>              | 44c-185   |
| <b><u>Development Name:</u></b>       | River Terrace   |
| <b><u>Development Location:</u></b>   | City of Benton Harbor, Berrien County   |
| <b><u>Sponsor:</u></b>                | MHT Housing, Inc.   |
| <b><u>Borrower:</u></b>               | River Terrace II/MHT Limited Dividend Housing Association Limited, LLC  |
| <b><u>Number of Units:</u></b>        | 150 Senior apartments in a high-rise building and 119 Family townhome units, with one manager's unit  |
| <b><u>Construction Method:</u></b>    | Acquisition and Rehabilitation  |
| <b><u>Financing Program:</u></b>      | Limited Obligation Mortgage Revenue Bonds issued under Section 44c  |
| <b><u>Total Development Cost:</u></b> | \$35,975,229 (estimated)  |
| <b><u>Total Loan Amount:</u></b>      | \$20,000,000 (55.6% of aggregate basis)   |
| <b><u>Credit Enhancement:</u></b>     | Fannie Mae commitment for MBS as Tax-Exempt Bond Collateral (Cash collateral during construction and Fannie Mae mortgage pass-through certificate (MBS) at completion of rehabilitation and permanent loan term.) |

The material contained in this staff report is submitted to the Authority for information only. The Authority does not underwrite Pass-Through Bond loans. To the extent that any information contained herein conflicts with the documents relating to the sale of the bonds and the making of the loan, the latter documents shall control.

#### **PROGRAM DESCRIPTION:**

Section 44c of Public Act 346 of 1966, as amended (the "Act"), authorizes the Authority to issue bonds that are not general obligations of the Authority and are not backed by the moral obligation of the State. The bonds are "limited obligations" of the Authority with the security limited to the



assets of the borrower, the project itself, and the credit enhancement arranged by the borrower. These are generally referred to as "Pass Through" bonds.

On July 23, 2020, the Authority authorized the Amended and Restated Pass-Through Bond Program with a maximum allocation of \$100 million in tax-exempt bond volume cap. This program imposes rent and income targeting requirements of either 40% at 60% of area median income or 20% at 50% of area median income and limits the bond allocation available per project and per sponsor. In addition, at least ten percent (10%) of the affordable units must be targeted to households whose income is at or below 40% of area median income.

It also requires limited market and environmental reviews.

### **PROPOSAL SUMMARY:**

The Borrower proposes to acquire and rehabilitate 150 senior apartments in a high-rise building and 119 family townhome units located at 200 River Terrace Drive in Benton Harbor, plus one manager's townhome unit. 90% of the units in the development (241 units) will be restricted to households with incomes at or below 60% of area median income, utilizing the new MTSP income limits. At least ten percent (10%) of the affordable units (28 units) must be more deeply targeted to households with incomes at or below 40% of area median income, using the MTSP limits. All of the units in River Terrace receive Section 8 project-based rental subsidy, so that no tenant is required to pay more than 30% of household income for rent and utilities.

### **CONDITIONS:**

#### **1. Income Limits:**

The Borrower must enter into a Regulatory Agreement with the Authority requiring that 241 units in the Development (135 one-bedroom and 27 two-bedroom apartments, and 16 one-bedroom, 57 two-bedroom and 22 three-bedroom townhomes) must be rented or available for rental by tenants whose income does not exceed the 60% income limit for Multifamily Tax Subsidy Projects as determined by HUD with respect to projects financed pursuant to Section 142(d) of the Internal Revenue Code of 1986, as amended (the "Code"), as further amended by the Housing and Economic Recovery Act of 2008 (P.L. 110-289) ("MTSP Limits"), adjusted for family size. In addition, 28 units in the Development (16 one-bedroom and 4 two-bedroom apartments, and 6 two-bedroom and 2 three-bedroom townhomes) must be rented or available for rental by tenants whose income does not exceed the 40% MTSP Limit. These occupancy restrictions shall be contained in a covenant running with the land and shall remain in effect for the period that the Authority Bonds (as defined below) remain outstanding, but in no event for less than the period of time required by the terms of the Low Income Housing Tax Credit ("LIHTC") Regulatory Agreement or the period required by Section 142(d) of the Code.

The income of the individuals and the area gross median income shall be determined by the Secretary of the Treasury in a manner consistent with determinations of lower income families and area median gross income under Section 8 of the U.S. Housing Act of 1937, including adjustments for family size. Until the Secretary of Treasury publishes its

requirements, income of individuals shall be determined in accordance with the Section 8 regulations.

2. **Limitations on Rental Rates:**

The Regulatory Agreement must also require that the monthly Total Housing Expense (contract rent plus tenant-paid utilities) on 241 units in the Development (135 one-bedroom and 27 two-bedroom apartments, and 16 one-bedroom, 57 two-bedroom and 22 three-bedroom townhomes) may not exceed 30% of 1/12 of the 60% MTSP Limit, assuming occupancy by one and one-half persons per bedroom. In addition, the Total Housing Expense for 28 units in the Development (16 one-bedroom and 4 two-bedroom apartments, and 6 two-bedroom and 2 three-bedroom townhomes) may not exceed 30% of 1/12 of the 40% MTSP Limit. These limitations on rental rates shall be contained in a covenant running with the land and shall remain in effect for the period that the Authority Bonds (as defined below) remain outstanding, but in no event for less than the period of time required by the terms of the LIHTC Regulatory Agreement, known as the Extended Use Period (the "EUP"). For purposes of determining whether or not the rents paid by the tenants of the Development are within the required limits set forth in this Section 2, the amount of any Section 8 rental subsidy paid on behalf of a tenant with respect to any unit shall not be considered as rent paid by the tenant.

3. **Covenant Running with the Land:**

The Borrower must subject the Development site to a covenant running with the land so as to preserve the tax-exempt status of the obligations to be issued to finance the mortgage loan (the "Bonds"). This covenant will provide that each unit must be rented or available for rental on a continuous basis to members of the general public for a period ending on the latest of the date which is 15 years after 50 percent of the residential units in the project are occupied, the first day on which no Bonds are outstanding with respect to the project, or the date on which assistance provided to the project under Section 8 of the U.S. Housing Act of 1937 terminates (the "Qualified Project Period"). Additionally, during the Qualified Project Period, the minimum set-aside requirements of the Code must be maintained, namely, at least forty percent (40%) of the units in the Development must be occupied or held available for occupancy by individuals whose income is lower than the MTSP Limits 60% income limit, adjusted for family size. The income of individuals and area median income shall be determined by the Secretary of the Treasury in a manner consistent with determinations of lower income families and area median income under Section 8 of the U.S. Housing Act of 1937, including adjustments for family size. Until the Secretary of the Treasury publishes its requirements, income of the individuals shall be determined in accordance with Section 8 regulations.

4. **Limitation on Return on Equity:**

The Borrower must agree that its return on equity will be limited to 12 percent for the first 12-month period following substantial completion of the Development, with annual one percent increases thereafter, and to submit an annual financial statement evidencing its eligibility for return no later than 90 days after the close of the Borrower's fiscal year. The Borrower's return is fully cumulative. The amount of the Borrower's equity will be determined by the Authority.

5. **Bond and Tax Credit Requirements:**

At the Bond closing, the Borrower must enter into a Loan Agreement and a Trust Indenture which provides that all cash proceeds of the credit enhancement will be held by the trustee for the Bonds. The Borrower must certify in writing to the sources and uses involved in the financing of the Development and must also provide the Authority with an opinion of tax counsel that the structure of the transaction will permit the Borrower to claim the LIHTC 4% credit.

6. **Compliance Monitoring and Reporting Requirements:**

The Borrower must agree to provide the Authority on or before September 1 of each year with a report in a form acceptable to the Authority, including such information as is required by Section 44c of the Act. The Borrower must also agree to participate in compliance monitoring activities relative to the Bonds and the tax credits allocated to the Development, as required by the Authority's Compliance Monitoring staff, and to pay an annual compliance monitoring fee not to exceed 0.25% of the outstanding principal amount of the Bonds

7. **Closing and Organizational Documents:**

Prior to Bond closing, the Borrower must submit all of the documents relating to the sale of the limited obligation bonds and the making of the loan, including title and survey matters, and its organizational documents. All documents must be in compliance with the Authority's Act and acceptable to the Michigan Attorney General, the Authority's Bond counsel and the Authority's Director of Legal Affairs.

8. **Credit Enhancement:**

Prior to the authorization of a commitment for issuance of the Bonds, the Borrower must submit a definitive commitment that the credit enhancement will be provided. The proposed credit enhancement instrument and any other additional security offered to the Authority must be acceptable to the Chief Financial Officer and the Director of Legal Affairs.

9. **Financing Participants:**

Prior to the authorization of a commitment for issuance of the Bonds, the Chief Financial Officer and the Director of Legal Affairs must have determined that the proposed development team members are acceptable.

10. **Equal Employment Opportunity:**

Prior to Bond closing, the general contractor must submit an equal employment opportunity plan pursuant to Section 46 of the Act, which must be approved by the Authority's Equal Employment Opportunity Officer. At Bond closing, the Borrower and the general contractor must enter into an agreement regarding the enforcement and monitoring of the plan acceptable to the Authority's Director of Legal Affairs.

**DEVELOPMENT TEAM AND PROJECT INFORMATION:**

**Sponsor and Borrower:**

1.     **Sponsor:**     MHT Housing, Inc.  
                          32600 Telegraph Road  
                          Bingham Farms, Michigan 48025  
                  Contact:     T. Van Fox  
                  Phone:       (248) 833-0550
  
2.     **Borrower:**   River Terrace II/MHT Limited Dividend Housing Association, LLC  
                          32600 Telegraph Road  
                          Bingham Farms, Michigan 48025  
                  Contact:     T. Van Fox  
                  Phone:       (248) 833-0550

**Credit Enhancement:**

The sponsor proposes using a Fannie Mae commitment for an MBS as Tax-Exempt Bond Collateral through JLL Real Estate Capital, LLC.

**Bond Underwriter:**                     Stifel, Nicolaus & Company (*John Rucker*)

**Bond Counsel:**                         Hawkins Delafield and Wood, LLP (*John Renken*)

**Bond Trustee:**                         Bank of New York Mellon (*Sheila Papelbon*)

**Credit Enhancement Provider:**     During Rehabilitation of Property: Huntington Bank  
  (Jasmine Rosal | Assistant Vice President)

  Conversion and During Permanent Loan:  
  JLL Capital Markets as FNMA DUS Lender (C.W. Early)

**Other Members of the Development Team:**

|                        |  |
|------------------------|--|
| Equity Partner:        | National Equity Fund ( <i>Kristen Senff</i> )          |
| Borrower's Counsel:    | Wenzloff & Fireman P.C. ( <i>Joshua Fireman</i> )      |
| Borrower's Accountant: | Doeren Mayhew ( <i>Christopher Tull, CPA</i> )         |
| Contractor:            | MHT Construction, LLC ( <i>Chad Joseph</i> )           |
| Property Management:   | MHT Management, Inc. ( <i>Gary Offenbacher</i> )       |
| Architect:             | Concept Design Studios, Inc. ( <i>Kyle Osterhart</i> ) |
| Rating Agency:         | Standard and Poor's ( <i>TBD</i> )                     |

**Sources and Uses of Funds:**

**Inducement Resolution Staff Report  
#44c-185, River Terrace Apartments  
City of Benton Harbor, Berrien County  
October 21, 2021**

|                        |                |
|------------------------|----------------|
| JLL Mortgage Loan      | \$20,583,100   |
| GP Capital             | 100            |
| LIHTC Equity           | 13,245,729     |
| Income from Operations | 315,352        |
| Deferred Developer Fee | <u>830,948</u> |

**Total Sources of Funds** **\$ 34,975,229**

|   |                  |
|---|------------------|
| Acquisition                               | \$ 12,000,000    |
| Construction/Rehabilitation               | 13,843,620       |
| Professional Fees                         | 136,000          |
| Interim Construction Costs                | 2,040,258        |
| Reserves and Escrows                      | 1,845,534        |
| Syndication Costs                         | 55,000           |
| Permanent Financing Costs                 | 498,220          |
| FF&E, Compliance Monitoring, Tax Credit   |                  |
| Fees, Temporary Relocation, Environmental | 897,580          |
| Developer Fee                             | <u>3,659,017</u> |

**Total Uses of Funds** **\$ 34,975,229**

**APPROVALS:**



Chad Benson, Director of Development

Date



Jeffrey Sykes, Chief Financial Officer

Date



Clarence L. Stone, Jr., Director of Legal Affairs

Date



Gary Heidel, Acting Executive Director

Date

**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY**

**INDUCEMENT RESOLUTION  
RIVER TERRACE  
CITY OF BENTON HARBOR, BERRIEN COUNTY  
MSHDA No. 44c-185**

**October 21, 2021**

WHEREAS, MHT Housing, Inc., a Michigan non-profit corporation (the "Applicant"), desires to acquire and substantially rehab a multifamily housing facility (the "Project") in the City of Benton Harbor, Berrien County, Michigan; and

WHEREAS, the Applicant has applied to the Michigan State Housing Development Authority (the "Authority") for a loan in the amount of Twenty Million Dollars (\$20,000,000) (the "Loan") pursuant to Section 44c of Act No. 346 of the Public Acts of 1966, as amended (the "Act"), to be made to River Terrace II/MHT Limited Dividend Housing Association, LLC or an eligible borrower entity to be formed under the Act (the "Borrower"), to finance the acquisition, construction and equipping of the Project, which constitutes a housing project as defined in the Act; and

WHEREAS, the Applicant has advised that the cost of the Project will not exceed Thirty-Five Million Nine Hundred Seventy-Five Thousand Two Hundred Twenty-Nine Dollars (\$35,975,229); and

WHEREAS, the Act authorizes the Authority to loan monies to limited dividend housing associations for the construction and long-term financing of multifamily housing projects and to obtain the monies for such loans by the issuance of bonds in compliance with and pursuant to the terms and provisions of the Act; and

WHEREAS, it is necessary to assure the Applicant that the Authority intends to issue bonds (the "Bonds") upon meeting the requirements of the Act and the terms and conditions of this Resolution, it being the intent and purpose of the Authority in adopting this Resolution to provide the necessary official action with respect to the Bonds as will meet the requirements of the Internal Revenue Code and the regulations promulgated in connection therewith.

NOW, THEREFORE, Be It Resolved by the Michigan State Housing Development Authority that:

1. In order to comply with Treasury Regulation Section 1.150-2, the Authority makes the following declarations:
  - (a) The Authority reasonably expects to authorize the Loan for the purpose of reimbursing the Borrower for the costs of and/or financing the acquisition and equipping of the Project as further described in the Borrower's application, and the terms of the Inducement Resolution Staff Report attached hereto and incorporated herein;
  - (b) The Loan shall not be used to reimburse the Borrower for expenditures earlier than the date on which the Borrower pays such expenditures and not later than the date that is eighteen months after the later of (i) the date on which the Borrower has paid the expenditure, or (ii) the date on which the Project is placed in service, but in no

event more than three (3) years after the expenditure is paid. All reimbursement of expenditures shall follow the procedures described in Treasury Regulation Section 1.150-2(d);

- (c) No Loan proceeds paid to reimburse the Borrower for expenditures incurred in the acquisition and equipping of the Project shall be used in a manner described in Treasury Regulation Section 1.150-2(h) with respect to abusive use of such proceeds;
  - (d) The costs to be reimbursed must be "capital expenditures" as defined in Treasury Regulation Section 1.150-1(b), which are costs of a type that are properly chargeable to a capital account under Federal Income Tax principles; and
  - (e) The maximum amount of the Loan to the Borrower shall not exceed Twenty Million Dollars (\$20,000,000).
- 2. The Authority expects to authorize the Loan to the Borrower, subject to the Borrower's meeting the requirements of the Act, including without limitation, the requirements of Section 44c of the Act, the Authority's Amended and Restated Pass-Through Bond Program and the terms and conditions hereinafter set forth.
  - 3. The Borrower shall submit a commitment from the proposed issuer of a credit enhancement with respect to the Bonds in a form and amount sufficient to assure the Authority that repayment of the Bonds issued will be reasonably secure.
  - 4. The Borrower shall be obligated to make loan repayment in an amount sufficient to pay the principal, interest and premium, if any, of the Bonds, establish appropriate reserves, and pay costs and expenses relating to the issuance of the Bonds and the making of the Loan.
  - 5. The Authority's obligation to make the Loan shall be conditioned upon the ability of the Authority to issue, sell and deliver the Bonds.
  - 6. The Loan shall be evidenced by a loan agreement and secured by such instruments as are in form and substance satisfactory to the Authority, the Department of Attorney General of the State of Michigan and bond counsel to the Authority, which shall include such additional security as may be required by the purchaser of the Bonds.
  - 7. Subject to compliance with the terms and conditions of this Resolution and any subsequent Resolution authorizing the Authority's loan commitment with respect to the Project, the Authority will authorize, pursuant to a Bond Resolution of the Authority, the issuance of the Bonds in a principal amount not exceeding Twenty Million Dollars (\$20,000,000) for the purposes of making the Loan and funding the reserves and costs associated with the issuance and administration of the Bonds as aforesaid, and will enter into a loan agreement and related documents with the Borrower, which proceedings shall be subject to the approval of the Department of Attorney General of the State of Michigan, bond counsel to the Authority and the Michigan Department of Treasury.
  - 8. The Bonds shall not be general obligations of the Authority but shall be payable as to principal, premium, if any, and interest solely from the proceeds of the payments to be made by or on behalf of the Borrower to the Authority (or to a trustee appointed by the Authority pursuant to the Bond Resolution), as provided in the Bond Resolution. The agreements relating to the Loan and the issuance of the Bonds shall contain such provisions as will be



necessary to make absolutely clear and certain that under no circumstances will the Bonds or this Resolution be a debt of the State of Michigan, nor will the State of Michigan be liable on the Bonds.

9. All costs and expenses involved in the authorization, issuance, sale and delivery of the Bonds and in the making of the Loan, including the fees and disbursements of bond counsel, shall be paid from Bond proceeds or by the Borrower and the proceedings and agreements relating thereto, as hereafter adopted and undertaken, shall so provide.
10. The Executive Director, the Director of Legal Affairs, the Deputy Director of Legal Affairs and the Chief Financial Officer, or any person duly authorized to act in such capacity (each an "Authorized Officer"), or any one of them acting alone, are hereby authorized and directed to initiate the proceedings described in this Resolution and to enter into negotiations, subject to the approval of the Authority, with a Bond purchaser for the sale of the Bonds by the Authority.
11. Bond counsel to the Authority and the Department of Attorney General of the State of Michigan are authorized and directed to prepare and submit to the appropriate parties all proceedings, agreements and other documents as shall be necessary or appropriate in connection with the issuance of the Bonds and to make applications on behalf of the Authority to the United States Internal Revenue Service and to other governmental agencies for such income tax and other rulings and approvals as may be necessary in relation to the issuance of the Bonds. Any Authorized Officer is authorized to execute such powers of attorney and other documents as may be appropriate in connection with the foregoing. All costs and expenses pertaining to the above matter shall be paid from the Bond proceeds or by the Borrower.
12. Issuance of the Bonds shall be subject to the conditions contained in the Inducement Resolution Staff Report accompanying this Resolution.
13. All resolutions and parts of resolutions that conflict with the provisions of this Resolution are hereby rescinded.
14. This Resolution does not constitute a commitment of the Authority to loan funds under Section 44c(6) of the Act and does not serve as a reservation or allocation of bonding capability.
15. The Authority hereby determines that the likely benefit of the Project to the community or the proposed residents of the Project merits the use of Authority limited obligation bonds as a financing source for the proposed acquisition and construction of the Project.
16. This Resolution shall take effect immediately.



# MSHDA

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

## M E M O R A N D U M

**TO:** Authority Members

**FROM:** Gary Heidel, Acting Executive Director *Gary Heidel*

**DATE:** October 21, 2021

**RE:** Resolution Authorizing One-Year Extension and Increase of Contract with Office of Attorney General and Holland and Knight, LLP to Retain Designated Holland & Knight Attorneys as Special Assistant Attorneys General

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### **RECOMMENDATION:**

I recommend that the Michigan State Housing Development Authority (the "Authority") authorize (a) the reinstatement and one-year extension of the professional services contract with Holland and Knight, LLP to retain designated attorneys as Special Assistant Attorneys General and (b) an increase in the contract by \$56,829.11, thereby increasing the contract balance to an amount not to exceed \$75,000.

### **CONTRACT SUMMARY:**

|   |  |
|---|--|
| Name of Contractor:                       | Holland and Knight, LLP                              |
| Amount of Contract:                       | \$18,170.89 balance                                  |
| Increase in Contract Amount:              | \$56,829.11  |
| Contract Balance After Proposed Increase: | Not to exceed \$75,000                               |
| Total Contract Amount:                    | Not to exceed \$205,000 (\$130,000 original balance) |
| Length of Contract:                       | One-year extension                                   |
| Extension Options:                        | Not applicable                                       |
| Request for Proposal Date:                | Not applicable                                       |
| Number of Bids Received:                  | Not applicable                                       |
| MSHDA Division Requesting the Contract:   | Legal Affairs  |

### **EXECUTIVE SUMMARY:**

The Authority, the Department of Attorney General and Holland & Knight executed an Amended and Restated Contract that covered a period of October 1, 2014, through September 30, 2017, for professional services that designated Holland & Knight attorneys as Special Assistant Attorneys General for the total contract amount of \$130,000. The parties have executed four amendments to the Amended and Restated Contract that extended the contract's term but not

the contract amount. (The Fourth Amendment, the most recent amendment, was approved by the Authority in July of 2020 and extended the term of the Amended and Restated Contract to September 30, 2021, without increasing the contract amount.) The current contract balance is \$18,170.89.

The Authority continues to require the services of the designated Holland & Knight attorneys. If this recommendation is approved, the designated Holland & Knight attorney who would serve as Special Assistant Attorney General through September 30, 2022, would be Anthony Freedman and associates recommended by Mr. Freedman and approved by the Attorney General. Designated Holland & Knight attorneys may be added to or replaced, subject to the approval of the Attorney General and the Executive Director or Director of Legal Affairs. As designated Special Assistant Attorney General, Holland and Knight attorneys, particularly Mr. Freedman, have provided advice on complex matters and have consistently performed at a high level, meeting or exceeding expectations.

To ensure that Holland & Knight can continue to provide legal services related to federal housing and community development to the Authority, a fifth amendment to the Amended and Restated Contract is recommended. If approved, the Fifth Amendment would do the following:

1. Reinstate and extend the term of the Amended and Restated Contract to September 30, 2022; and
2. Increase the Amended and Restated Contract by \$56,829.11, thereby increasing the contract balance to an amount not to exceed \$75,000; the total contract amount shall not exceed \$205,000.

#### **ADVANCING THE AUTHORITY'S MISSION:**

The Authority benefits from the legal advice provided by designated Holland and Knight attorneys as Special Assistant Attorneys General on federal housing and community development programs, and federal regulations affecting its housing and mortgage loans. The counsel has enabled the Authority to comply with federal requirements, avoid the recapture of funds, and administer federal housing programs more effectively.

#### **COMMUNITY ENGAGEMENT/IMPACT:**

Not applicable.

#### **ISSUES, POLICY CONSIDERATIONS, AND RELATED ACTIONS:**

None.

**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY**

**RESOLUTION AUTHORIZING FIFTH AMENDMENT TO AMENDED AND RESTATED CONTRACT BY THE DEPARTMENT OF ATTORNEY GENERAL, THE MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY AND HOLLAND & KNIGHT, LLP TO EXTEND AND INCREASE THE CONTRACT TO RETAIN DESIGNATED HOLLAND & KNIGHT ATTORNEYS AS SPECIAL ASSISTANT ATTORNEYS GENERAL**

**October 21, 2021**

WHEREAS, the Michigan State Housing Development Authority (the "Authority"), the Department of Attorney General ("Attorney General") and Holland & Knight, LLP ("Holland & Knight") entered into an amended and restated contract to appoint and retain designated Holland & Knight attorneys as Special Assistant Attorneys General for a term ending on September 30, 2017 with a contract amount of One Hundred Thirty Thousand Dollars (\$130,000) to provide legal services to the Authority with respect to federal law and regulatory issues concerning low income housing tax credits, the Neighborhood Stabilization Program, Post-1980 Section 8 developments, Project-Based Vouchers and other federal housing and community development programs and initiatives; and

WHEREAS, on July 26, 2017, the Authority authorized the Executive Director to enter the First Amendment to the Amended and Restated Contract to extend the term of the Amended and Restated Contract to September 30, 2018; and

WHEREAS, on September 26, 2018, the Authority authorized the Executive Director to enter the Second Amendment to the Amended and Restated Contract to extend the term of the Amended and Restated Contract to September 30, 2019; and

WHEREAS, on September 26, 2019, the Authority authorized the Executive Director to enter the Third Amendment to the Amended and Restated Contract to extend the term of the Amended and Restated Contract to September 30, 2020; and

WHEREAS, on July 30, 2020, the Authority authorized the Executive Director to enter the Fourth Amendment to the Amended and Restated Contract to extend the term of the Amended and Restated Contract to September 30, 2021; and

WHEREAS, the Authority staff continues to require the services of the designated Holland & Knight attorneys with respect to federal housing programs; and

WHEREAS, for the reasons stated in the accompanying memorandum, the Acting Executive Director recommends that the Authority authorize the execution of the Fifth Amendment to the Amended and Restated Contract that would reinstate and extend the term to September 30, 2021, and increase the contract by Fifty-Six Thousand Eight Hundred Twenty-Nine and 11/100 (\$56,829.11), thereby increasing the contract balance to an amount not exceeding Seventy-Five Thousand Dollars (\$75,000); and

WHEREAS, the Civil Service Commission has reviewed and approved the Authority's request for contractual services; and

WHEREAS, the Authority concurs in the recommendation of the Acting Executive Director.

NOW, THEREFORE, Be It Resolved by the Michigan State Housing Development Authority that the Executive Director, the Chief Financial Officer, the Director of Legal Affairs, the Deputy Director of Legal Affairs, or any person duly acting in such capacity, each is hereby authorized to enter into the Fifth Amendment to the Amended and Restated Contract with the Department of Attorney General and Holland and Knight, LLP that would (a) reinstate and extend the Amended and Restated Contract's expiration date to September 30, 2022 and (b) increase the contract by Fifty-Six Thousand Eight Hundred Twenty-Nine and 11/100 (\$56,829.11), thereby increasing the contract balance to an amount not exceeding Seventy-Five Thousand Dollars (\$75,000).



# MSHDA

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

## M E M O R A N D U M

**TO:** Authority Members

**FROM:** Gary Heidel, Acting Executive Director *Gy Heidel*

**DATE:** October 21, 2021

**RE:** Resolution Authorizing Professional Services Contract with Michigan Press Association for Legal Notice Postings

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### **RECOMMENDATION:**

I recommend that the Michigan State Housing Development Authority (the "Authority") adopt a resolution authorizing a professional services contract with Michigan Press Association (the "Contractor") for an amount not to exceed \$100 per posting plus the actual cost of publication.

### **CONTRACT SUMMARY:**

|   |   |
|---|---|
| Name of Contractor:                     | Michigan Press Association  |
| Amount of Contract:                     | \$100 per posting plus publication cost   |
| Length of Contract:                     | 3 years; Nov. 1, 2021 – Sept. 30, 2024  |
| Extension Options:                      | Two 1-year extensions   |
| Request for Proposal Date:              | May 18, 2021  |
| Number of Bids Received:                | 2   |
| MSHDA Division Requesting the Contract: | Communications, Housing Initiatives,<br>Rental Assistance and Homeless Solutions,<br>and Rental Development |

### **EXECUTIVE SUMMARY:**

Multiple divisions within the Authority are required by law, administrative rules, court orders, etc., to place notices in various publications statewide. Authority divisions that regularly place legal notices include, but are not limited to, Communications, Housing Initiatives, Rental Assistance and Homeless Solutions, and Rental Development.

In response to the Request for Proposals, two bids were received, reviewed, and scored. The Authority's current contractor, the Michigan Press Association, submitted the selected bid.

The fees for the proposed contract will be as follows: a \$100 flat fee per posting plus the actual cost to the publication. Publication costs will vary. For example, a Friday posting in the Detroit

News/Free Press currently costs \$10,998.60, while a Friday posting in the Marquette Mining Journal cost \$1,888.11. No additional fees or commissions will be charged. Authority staff estimate placing 20 to 30 required postings per calendar year.

The Civil Service Commission has identified this contract as a preauthorized service that does not require subsequent review and approval.

Publication, including proof thereof, must be provided by an outside vendor, and this Contractor has facilitated this service successfully in the past. Given the Contractor's track record, this contract presents little to no risk to the Authority. Multiple divisions within the Authority depend upon accurate and timely publication for compliance purposes. It follows that Authority staff will carefully monitor the Contractor's performance as a matter of course.

**ADVANCING THE AUTHORITY'S MISSION:**

Engaging the Contractor to post legal notices promotes the exchange of information throughout Michigan's rural communities and urban neighborhoods, enhances partner collaborations and helps promote equal access to resources.

**COMMUNITY ENGAGEMENT/IMPACT:**

Michiganders throughout the state benefit from information derived from legal postings.

**ISSUES, POLICY CONSIDERATIONS, AND RELATED ACTIONS:**

None.

**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY**

**RESOLUTION AUTHORIZING PROFESSIONAL SERVICES CONTRACT WITH MICHIGAN PRESS ASSOCIATION**

**October 21, 2021**

WHEREAS, the Michigan State Housing Development Authority (the "Authority") has received the report of the Acting Executive Director regarding a professional services contract needed by various Authority divisions to perform services regarding the posting of legal notices; and

WHEREAS, the Acting Executive Director has recommended that the Authority approve a professional services contract with Michigan Press Association (the "Contractor") as described in the accompanying memorandum, selected pursuant to a Request for Proposal process; and

WHEREAS, Civil Service Commission review and approval is not needed for the contractual services; and

WHEREAS, the Authority concurs in the report and recommendation of the Acting Executive Director.

NOW, THEREFORE, Be It Resolved by the Michigan State Housing Development Authority, that the Executive Director, the Director of Legal Affairs, the Chief Financial Officer, or any person duly acting in such capacity (each, an "Authorized Officer"), or any of them, is each authorized to enter a professional services contract with Michigan Press Association to perform the services described in the memorandum. The professional services contract is approved for the period beginning on or about November 1, 2021, and ending September 30, 2024, for an amount not to exceed \$100 plus publication costs, as described in the accompanying memorandum.





# MSHDA

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

## M E M O R A N D U M

**TO:** Authority Members

**FROM:** Gary Heidel, Acting Executive Director *Gy Heidel*

**DATE:** October 21, 2021

**RE:** Resolution Authorizing Approval of Professional Services Contract for Master Servicer for Mortgage-Backed Securities Program

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### **RECOMMENDATION:**

I recommend that the Michigan State Housing Development Authority (the "Authority") adopt a resolution authorizing a professional services contract with U.S. Bank, National Association, with a contract amount based upon a set fee structure.

### **CONTRACT SUMMARY:**

|   |  |
|---|--|
| Name of Contractor:                     | U.S. Bank, National Association                      |
| Amount of Contract:                     | Set fee structure                                    |
| Length of Contract:                     | 3 years (January 1, 2022, through December 31, 2025) |
| Extension Options:                      | 1 two-year extension                                 |
| Request for Proposal Date:              | July 26, 2021  |
| Number of Bids Received:                | 2  |
| MSHDA Division Requesting the Contract: | Homeownership and Finance                            |

### **EXECUTIVE SUMMARY:**

The Authority implemented the Mortgage-Backed Securities ("MBS") Program in 2013. It moved the Authority into a market for non-first-time homebuyers with a loan product offering competitive rates and down payment assistance. MBS loans are Federal Housing Administration ("FHA") insured with a Government National Mortgage Association ("GNMA") guarantee. Over a period of 3-4 months, the loans are originated, pooled as MBS and sold through the "To Be Announced" market, thereby producing an additional revenue stream for the Authority. This service enables the Authority to offer Government and Conventional loans to eligible Michigan homebuyers.

The Authority does not have the capacity to provide in-house master servicing for the MBS Program. US Bank, National Association, submitted the highest scoring response to the Authority's Request for Proposals, which was posted on both SIGMA and the Authority's website.

Its submittal scored successfully with acceptable pricing. Under the proposed contract, US Bank's responsibilities will include ensuring mortgage loan compliance with FHA, GNMA and other federal requirements; loan purchasing and servicing; and pooling the loans and converting them into guaranteed mortgage securities under terms established by the Authority and the pipeline risk manager, Raymond James. US Bank, National Association, currently serves as the Master Servicer, and has met performance expectations, milestones, and deliverables. Authority staff is confident in U.S. Bank, National Association's continued ability to assist in servicing the MBS program through December 31, 2025.

Performance of the contract will be measured in bi-weekly and quarterly reports

Civil Service approval is not required to enter into this contract. Compensation will be paid as indicated in the fee schedule submitted by US Bank.

Given past performance there is no significant risk to the Authority as a result of this action.

**ADVANCING THE AUTHORITY'S MISSION:**

This request supports access to homeownership opportunities by providing support for single-family homeownership opportunities via services not otherwise available through existing Authority functions.

**COMMUNITY ENGAGEMENT/IMPACT:**

This project will impact the community by providing accessible and competitive single-family mortgage products backed with FHA insurance and GNMA guarantees.

**ISSUES, POLICY CONSIDERATIONS, AND RELATED ACTIONS:**

None.

**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY**  
**RESOLUTION AUTHORIZING PROFESSIONAL SERVICES CONTRACT**  
**WITH U.S. BANK, NATIONAL ASSOCIATION**

**October 21, 2021**

WHEREAS, the Michigan State Housing Development Authority (the "Authority") has received the report of the Acting Executive Director regarding the need for professional services with respect to a Master Servicer for the Authority's mortgage-backed securities program; and

WHEREAS, the Acting Executive Director has recommended that the Authority retain U.S. Bank, National Association, to perform as the Master Servicer for the Authority's mortgage-backed securities program based on its selection in conformance with the Authority's request for proposals; and

WHEREAS, the Civil Service Commission is not required to approve this professional services contract; and

WHEREAS, the term of the contract will commence effective January 1, 2022, and expire on or about December 31, 2025, with an option to extend the contract for a two (2) year term at the Authority's discretion; and

WHEREAS, the Authority concurs in the recommendation of the Acting Executive Director.

NOW, THEREFORE, Be It Resolved by the Michigan State Housing Development Authority that retaining U.S. Bank National Association to perform as Master Servicer is hereby approved, and the Acting Executive Director, or anyone acting in such capacity, is each hereby authorized to execute on behalf of the Authority a contract for professional services with compensation to be paid as indicated in the proposal submitted by U.S. Bank National Association. The term of the contract shall commence on January 1, 2022, and expire on or about December 31, 2025, with an option to extend the contract for a two (2) year term.



# MSHDA

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

## M E M O R A N D U M

**TO:** Authority Members

**FROM:** Gary Heidel, Acting Executive Director *Gy Heidel*

**DATE:** October 21, 2021

**RE:** Amended and Restated Resolution Designating Bank Accounts and Authorizing Officers as to Requisition and Investment of Funds

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### **RECOMMENDATION:**

I recommend that the Michigan State Housing Development Authority (the "Authority") adopt the attached Amended and Restated Resolution Designating Bank Account and Authorizing Officers as to Requisition and Investment of Funds ("Bank Account Resolution").

### **EXECUTIVE SUMMARY:**

The Bank Account Resolution designates the Authority officers who are authorized to transfer funds to and from each Authority bank account. The Bank Account Resolution is being amended to add new accounts for the Homeowner Assistance Fund administration and the Help for Hardest Hit residual activity.

### **ADVANCING THE AUTHORITY'S MISSION:**

The amendment of the Bank Account Resolution to add new accounts for the Homeowner Assistance Fund and Help for Hardest Hit allows the Authority to utilize funding necessary to support its mission.

### **COMMUNITY ENGAGEMENT/IMPACT:**

None.

### **RESIDENT IMPACT:**

None.

### **ISSUES, POLICY CONSIDERATIONS, AND RELATED ACTIONS:**

None.

**DRAFT**

**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY**

**AMENDED AND RESTATED  
RESOLUTION DESIGNATING BANK ACCOUNTS AND AUTHORIZING  
OFFICERS AS TO REQUISITION AND INVESTMENT OF FUNDS**

**June 25, 2020 – OCTOBER 21, 2021**

WHEREAS, the Michigan State Housing Development Authority (hereinafter referred to as the "Authority"), pursuant to Act No. 346 of the Public Acts of 1966 of the State of Michigan, as amended (hereinafter referred to as the "Act"), is authorized to prescribe a system of accounts, designate Authorized Officers to make requisitions from such accounts, and to invest any funds held in reserve or sinking funds or any monies not required for immediate use or disbursement at the discretion of the Authority; and

WHEREAS, the Authority hereby wishes to formally prescribe its systems of accounts and to designate Authorized Officers to make requisitions from and to invest funds in such accounts; and

WHEREAS, the Authority hereby wishes to designate Authorized Officers for the purpose of entering into contracts on behalf of the Authority as to the custody, collection, securing, investment, and payment of any monies of the Authority and thereby to open and close the accounts of the Authority; and

WHEREAS, this resolution amends and supersedes all prior resolutions now in effect pertaining to the designation of bank accounts and Authorized Officers as to requisition and investment of funds and access to safe deposit boxes.

NOW, THEREFORE, Be It Resolved by the Michigan State Housing Development Authority as follows:

1. The following accounts be and they hereby are designated as the accounts of the Authority, and the following banks be and they hereby are designated as the depositories for the said accounts of the Authority:

| <u>FUND<br/>NUMBER</u> | <u>ACCOUNT</u>  | <u>BANK NAME</u> |
|------------------------|---|------------------|
| 35                     | Bank Proceeds Accounts - Home Improvement Program (2) | Comerica Bank    |
| 70                     | Petty Cash Account                                    | JP Morgan Chase  |
| 70                     | Housing Choice Voucher Program - Operating Expenses   | Bank of America  |
| 70                     | Section 8 Family Self Sufficiency Operating Expenses  | Bank of America  |

|           |   |                                  |
|-----------|---|----------------------------------|
| 70        | General Operating Account                                   | JP Morgan Chase                  |
| 70        | Lock Box Depository Account                                 | JP Morgan Chase                  |
| <b>70</b> | <b>HELP FOR HARDEST HIT</b>                                 | <b>JP MORGAN CHASE</b>           |
| 75        | Capital Reserve Capital Account                             | US Bank                          |
| 80        | Escrow Account for Mortgagors - Multi-Family                | JP Morgan Chase                  |
| 80        | Escrow Account for Mortgagors - Multi-Family – HUD Projects | JP Morgan Chase                  |
| 80        | Escrow Account For Mortgagors - Multi-Family                | U.S. Bank                        |
| 80        | Escrow Account For Mortgagors - Single Family               | U.S. Bank                        |
| 95        | Home Program Account  | First Independence National Bank |
| 95        | Mainstream 5  | Bank of America                  |
| 95        | Section 8 Housing CHOICE Voucher Program Account            | Bank of America                  |
| 95        | Section 8 Family Self Sufficiency Escrow Account            | Bank of America                  |
| 95        | Section 8 Moderate Rehabilitation Housing Program Account   | JP Morgan Chase                  |
| 95        | Contract Administration                                     | JP Morgan Chase                  |
| 95        | Section 8 New Construction Housing Program Account          | JP Morgan Chase                  |
| 95        | Section 8 Housing Voucher Program Account                   | JP Morgan Chase                  |
| 95        | Federal Program Depository                                  | JP Morgan Chase                  |
| 95        | Tax Credit Assistance Program Account                       | JP Morgan Chase                  |
| 95        | Treasury 1602 Program Account                               | JP Morgan Chase                  |

|           |  |                        |
|-----------|--|------------------------|
| 95        | Section 811 Project Rental Assistance Demonstration Program            | JP Morgan Chase        |
| 95        | CARES Admin Account  | Bank of America        |
| <b>95</b> | <b>HOMEOWNER ASSISTANCE FUND</b>                                       | <b>JP MORGAN CHASE</b> |
| 150-199   | Single Family Homeownership Revenue Bonds                              | U.S. Bank              |
| 200-399   | Single Family Mortgage Revenue Bonds - Trustee Accounts                | U.S. Bank              |
| 400-599   | Rental Housing Revenue Bonds Disbursement Account and Trustee Accounts | U.S. Bank              |

2. The Executive Director, the Chief Housing Investment Officer, the Director of Legal Affairs, the Deputy Director of Legal Affairs, the Chief Housing Solutions Officer, and the Chief Financial Officer, together with any person duly appointed and acting in such capacity or any of them, be and they hereby are designated Authorized Officers of the Authority for the purpose of giving investment directions for the funds on deposit in and to open and close the aforementioned accounts of the Authority which may include as sub-accounts savings accounts and other time deposits evidenced by Certificate, Receipt, Passbook or otherwise as they, or any of them may determine to be necessary or desirable, within the limitations imposed on the investment of such funds by the terms of the Act and the resolutions of the Authority. In addition, the foregoing authorized officials are also authorized to purchase Certificates of Deposit from any other bank approved by the State Treasurer provided the Certificates are fully collateralized by obligations of this State or the United States or by obligations guaranteed by this State or the United States or by other obligations as may be approved by the State Treasurer. The Acting Executive Director is further authorized to designate employees of the Authority who may give telephonic orders to banks to transfer funds from any Authority account and to give telephonic orders to purchase and sell Authority investments. All telephonic orders must be immediately followed up with either a written confirmation with each such confirmation signed as provided in this Section 2 or Section 4 hereof or with a written statement of such transfer signed as provided in this Section 2 or Section 4 hereof and filed in the accounting records of the Authority.
3. The aforementioned depositories of the aforementioned accounts be, and they hereby are authorized and directed to accept, in accordance with their rules and regulations from time to time in effect, for credit to the aforementioned accounts of the Authority, any and all checks, drafts and other negotiable instruments when endorsed in the name of the Authority in writing, by rubber stamp or otherwise with or without a designation of the party making such endorsement.
4. (a) Any and all funds standing to the credit of the Authority in any of the aforementioned accounts, except for the Petty Cash Account and other time deposits may be paid out or withdrawn upon checks drawn against the respective accounts when signed in the name of the Authority by two (2) of the following persons who are hereby designated

Authorized Officers of the Authority for this purpose:

| <u>NAME</u>            | <u>TITLE</u>                     |
|------------------------|----------------------------------|
| Gary Heidel            | Acting Executive Director        |
| Clarence L. Stone, Jr. | Director of Legal Affairs        |
| Richard M. Norton      | Deputy Director of Legal Affairs |
| Kelly A. Rose          | Chief Housing Solutions Officer  |
| Jeffrey J. Sykes       | Chief Financial Officer          |

The aforementioned depositories of the aforementioned accounts be, and they hereby are authorized and directed to honor and pay any and all checks signed as provided above.

(b) The Acting Executive Director is authorized to enter into Transfer Agreements between the Authority and any of the depositories of Authority funds for the transfer of such funds by telephonic advance by any employee of the Authority designated by the Acting Executive Director. Such transfers shall be promptly confirmed in writing or by a written statement of such transfers that shall be filed in the accounting records of the Authority. Such confirmation or written statement shall be signed by any two of the above designated Authorized Officers, unless such transfer is being made to any other of the aforementioned accounts or to an approved servicer or originator under the Single Family or Home Improvement Programs, in which case such transfer may be so confirmed by any one of the above designated Authorized officers. If any bank shall require a telephonic confirmation of any transfer, any of the individuals named in 4(a) may provide such confirmation or may designate Teena Briggs, Manager of Audit, Single Family and Multi-Family Mortgage Servicing; or Jeffrey J. Sykes, Chief Financial Officer, to provide such confirmation.

(c) Any and all funds standing to the credit of the Authority in the Petty Cash Account may be paid out or withdrawn upon checks, which are not in excess of \$100.00 drawn against such account when signed in the name of the Authority by any one (1) of the following persons who are hereby designated Authorized Officers of the Authority for this purpose:

| <u>NAME</u>            | <u>TITLE</u>  |
|------------------------|---|
| Gary Heidel            | Acting Executive Director   |
| Clarence L. Stone, Jr. | Director of Legal Affairs   |
| Richard M. Norton      | Deputy Director of Legal Affairs                                    |
| Teena Briggs           | Manager of Audit, Single Family and Multi-Family Mortgage Servicing |
| Jeffrey J. Sykes       | Chief Financial Officer   |
| Kelly A. Rose          | Acting Chief Housing Investment Officer                             |

The depository of the Petty Cash Account be, and it hereby is authorized and directed to honor and pay any and all checks up \$100.00 signed as provided above. Access to the safe deposit boxes of the Authority in the vaults of JP Morgan Chase Bank and Comerica Bank, shall be had by any one (1) of the following persons who are hereby designated



Authorized Officers of the Authority for this purpose:

NAME

TITLE

Jeffrey J. Sykes

Chief Financial Officer

Teena Briggs

Manager of Audit, Single Family and Multi-Family Mortgage Servicing

Cisco Potts

Senior Account Analyst

The aforementioned Authorized Officers are likewise authorized to surrender and exchange any one or all of the safe deposit boxes of the Authority at any time. JP Morgan Chase Bank, shall be entitled to rely on the right of access hereby given until it receives a written notification from the Authority of any change or revocation of the right of access, notwithstanding that this authority may have been otherwise revoked by the Authority or by operation of law.

5. The Authority from time to time may change the persons whose signatures may be honored in connection with the foregoing accounts and safe deposit boxes of the Authority by Resolution and shall thereafter notify such aforementioned depositories and the State Treasurer of such changes. The foregoing Resolution shall remain in full force and effect until written notice of its amendment or rescission shall have been received by such aforementioned depositories, and receipt of such notice shall not affect any action taken by such aforementioned depositories prior thereto. The Chairperson or the Acting Executive Director of the Authority are hereby authorized and directed to certify this Resolution to such aforementioned depositories.
6. This Resolution shall take effect on ~~June 25, 2020~~ **OCTOBER 21, 2021**.

I, ~~Jeff Deneff~~ **SUSAN CORBIN**, hereby certify that I am the Chair of the Michigan State Housing Development Authority and that the foregoing is a true and exact copy of a Resolution duly adopted by the Authority at a duly convened meeting thereof held on ~~June 25, 2020~~ **OCTOBER 21, 2021**. I further certify that the true signatures of the signatories authorized to sign on the accounts referred to in the foregoing Resolution appear below.

Name

Title

Gary Heidel

Acting Executive Director

\_\_\_\_\_

Clarence L. Stone, Jr.

Director of Legal Affairs

\_\_\_\_\_

Richard M. Norton

Deputy Director of  
Legal Affairs

\_\_\_\_\_

Kelly A. Rose

Chief Housing Solutions  
Officer

\_\_\_\_\_

Jeffrey J. Sykes

Chief Financial Officer

\_\_\_\_\_

Kelly A. Rose                      Acting Chief  
Housing Investment Officer \_\_\_\_\_

Teena Briggs                      Manager of Audit, Single  
Family and Multi-Family  
Mortgage Servicing \_\_\_\_\_

Cisco Potts                      Senior Account Analyst \_\_\_\_\_

IN WITNESS WHEREOF, I have hereunto set my hand as Chair of the Michigan State Housing  
Development Authority and the seal of the Authority this \_\_\_\_ day of ~~June 2020~~ **OCTOBER 2021**.

\_\_\_\_\_  
~~Jeff Donofrio~~ **SUSAN CORBIN**, Chair

**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY**  
**AMENDED AND RESTATED**  
**RESOLUTION DESIGNATING BANK ACCOUNTS AND AUTHORIZING**  
**OFFICERS AS TO REQUISITION AND INVESTMENT OF FUNDS**

**October 21, 2021**

WHEREAS, the Michigan State Housing Development Authority (hereinafter referred to as the "Authority"), pursuant to Act No. 346 of the Public Acts of 1966 of the State of Michigan, as amended (hereinafter referred to as the "Act"), is authorized to prescribe a system of accounts, designate Authorized Officers to make requisitions from such accounts, and to invest any funds held in reserve or sinking funds or any monies not required for immediate use or disbursement at the discretion of the Authority; and

WHEREAS, the Authority hereby wishes to formally prescribe its systems of accounts and to designate Authorized Officers to make requisitions from and to invest funds in such accounts; and

WHEREAS, the Authority hereby wishes to designate Authorized Officers for the purpose of entering into contracts on behalf of the Authority as to the custody, collection, securing, investment, and payment of any monies of the Authority and thereby to open and close the accounts of the Authority; and

WHEREAS, this resolution amends and supersedes all prior resolutions now in effect pertaining to the designation of bank accounts and Authorized Officers as to requisition and investment of funds and access to safe deposit boxes.

NOW, THEREFORE, Be It Resolved by the Michigan State Housing Development Authority as follows:

1. The following accounts be and they hereby are designated as the accounts of the Authority, and the following banks be and they hereby are designated as the depositories for the said accounts of the Authority:

| <u>FUND<br/>NUMBER</u> | <u>ACCOUNT</u>  | <u>BANK NAME</u> |
|------------------------|---|------------------|
| 35                     | Bank Proceeds Accounts - Home Improvement Program (2) | Comerica Bank    |
| 70                     | Petty Cash Account                                    | JP Morgan Chase  |
| 70                     | Housing Choice Voucher Program - Operating Expenses   | Bank of America  |
| 70                     | Section 8 Family Self Sufficiency Operating Expenses  | Bank of America  |

|    |   |                                  |
|----|---|----------------------------------|
| 70 | General Operating Account                                   | JP Morgan Chase                  |
| 70 | Lock Box Depository Account                                 | JP Morgan Chase                  |
| 70 | Help For Hardest Hit  | JP Morgan Chase                  |
| 75 | Capital Reserve Capital Account                             | US Bank                          |
| 80 | Escrow Account for Mortgagors - Multi-Family                | JP Morgan Chase                  |
| 80 | Escrow Account for Mortgagors - Multi-Family – HUD Projects | JP Morgan Chase                  |
| 80 | Escrow Account For Mortgagors - Multi-Family                | U.S. Bank                        |
| 80 | Escrow Account For Mortgagors - Single Family               | U.S. Bank                        |
| 95 | Home Program Account  | First Independence National Bank |
| 95 | Mainstream 5  | Bank of America                  |
| 95 | Section 8 Housing CHOICE Voucher Program Account            | Bank of America                  |
| 95 | Section 8 Family Self Sufficiency Escrow Account            | Bank of America                  |
| 95 | Section 8 Moderate Rehabilitation Housing Program Account   | JP Morgan Chase                  |
| 95 | Contract Administration                                     | JP Morgan Chase                  |
| 95 | Section 8 New Construction Housing Program Account          | JP Morgan Chase                  |
| 95 | Section 8 Housing Voucher Program Account                   | JP Morgan Chase                  |
| 95 | Federal Program Depository                                  | JP Morgan Chase                  |
| 95 | Tax Credit Assistance Program Account                       | JP Morgan Chase                  |
| 95 | Treasury 1602 Program Account                               | JP Morgan Chase                  |

|         |  |                 |
|---------|--|-----------------|
| 95      | Section 811 Project Rental Assistance Demonstration Program            | JP Morgan Chase |
| 95      | CARES Admin Account  | Bank of America |
| 95      | Homeowner Assistance Fund  | JP Morgan Chase |
| 150-199 | Single Family Homeownership Revenue Bonds                              | U.S. Bank       |
| 200-399 | Single Family Mortgage Revenue Bonds - Trustee Accounts                | U.S. Bank       |
| 400-599 | Rental Housing Revenue Bonds Disbursement Account and Trustee Accounts | U.S. Bank       |

2. The Executive Director, the Chief Housing Investment Officer, the Director of Legal Affairs, the Deputy Director of Legal Affairs, the Chief Housing Solutions Officer, and the Chief Financial Officer, together with any person duly appointed and acting in such capacity or any of them, be and they hereby are designated Authorized Officers of the Authority for the purpose of giving investment directions for the funds on deposit in and to open and close the aforementioned accounts of the Authority which may include as sub-accounts savings accounts and other time deposits evidenced by Certificate, Receipt, Passbook or otherwise as they, or any of them may determine to be necessary or desirable, within the limitations imposed on the investment of such funds by the terms of the Act and the resolutions of the Authority. In addition, the foregoing authorized officials are also authorized to purchase Certificates of Deposit from any other bank approved by the State Treasurer provided the Certificates are fully collateralized by obligations of this State or the United States or by obligations guaranteed by this State or the United States or by other obligations as may be approved by the State Treasurer. The Acting Executive Director is further authorized to designate employees of the Authority who may give telephonic orders to banks to transfer funds from any Authority account and to give telephonic orders to purchase and sell Authority investments. All telephonic orders must be immediately followed up with either a written confirmation with each such confirmation signed as provided in this Section 2 or Section 4 hereof or with a written statement of such transfer signed as provided in this Section 2 or Section 4 hereof and filed in the accounting records of the Authority.
3. The aforementioned depositories of the aforementioned accounts be, and they hereby are authorized and directed to accept, in accordance with their rules and regulations from time to time in effect, for credit to the aforementioned accounts of the Authority, any and all checks, drafts and other negotiable instruments when endorsed in the name of the Authority in writing, by rubber stamp or otherwise with or without a designation of the party making such endorsement.
4. (a) Any and all funds standing to the credit of the Authority in any of the aforementioned accounts, except for the Petty Cash Account and other time deposits may be paid out or withdrawn upon checks drawn against the respective accounts when signed in the name of the Authority by two (2) of the following persons who are hereby designated

Authorized Officers of the Authority for this purpose:

| <u>NAME</u>            | <u>TITLE</u>                     |
|------------------------|----------------------------------|
| Gary Heidel            | Acting Executive Director        |
| Clarence L. Stone, Jr. | Director of Legal Affairs        |
| Richard M. Norton      | Deputy Director of Legal Affairs |
| Kelly A. Rose          | Chief Housing Solutions Officer  |
| Jeffrey J. Sykes       | Chief Financial Officer          |

The aforementioned depositories of the aforementioned accounts be, and they hereby are authorized and directed to honor and pay any and all checks signed as provided above.

(b) The Acting Executive Director is authorized to enter into Transfer Agreements between the Authority and any of the depositories of Authority funds for the transfer of such funds by telephonic advance by any employee of the Authority designated by the Acting Executive Director. Such transfers shall be promptly confirmed in writing or by a written statement of such transfers that shall be filed in the accounting records of the Authority. Such confirmation or written statement shall be signed by any two of the above designated Authorized Officers, unless such transfer is being made to any other of the aforementioned accounts or to an approved servicer or originator under the Single Family or Home Improvement Programs, in which case such transfer may be so confirmed by any one of the above designated Authorized officers. If any bank shall require a telephonic confirmation of any transfer, any of the individuals named in 4(a) may provide such confirmation or may designate Teena Briggs, Manager of Audit, Single Family and Multi-Family Mortgage Servicing; or Jeffrey J. Sykes, Chief Financial Officer, to provide such confirmation.

(c) Any and all funds standing to the credit of the Authority in the Petty Cash Account may be paid out or withdrawn upon checks, which are not in excess of \$100.00 drawn against such account when signed in the name of the Authority by any one (1) of the following persons who are hereby designated Authorized Officers of the Authority for this purpose:

| <u>NAME</u>            | <u>TITLE</u>  |
|------------------------|---|
| Gary Heidel            | Acting Executive Director   |
| Clarence L. Stone, Jr. | Director of Legal Affairs   |
| Richard M. Norton      | Deputy Director of Legal Affairs                                    |
| Teena Briggs           | Manager of Audit, Single Family and Multi-Family Mortgage Servicing |
| Jeffrey J. Sykes       | Chief Financial Officer   |
| Kelly A. Rose          | Acting Chief Housing Investment Officer                             |

The depository of the Petty Cash Account be, and it hereby is authorized and directed to honor and pay any and all checks up \$100.00 signed as provided above. Access to the safe deposit boxes of the Authority in the vaults of JP Morgan Chase Bank and Comerica Bank, shall be had by any one (1) of the following persons who are hereby designated

Authorized Officers of the Authority for this purpose:

NAME

TITLE

Jeffrey J. Sykes

Chief Financial Officer

Teena Briggs

Manager of Audit, Single Family and Multi-Family Mortgage Servicing

Cisco Potts

Senior Account Analyst

The aforementioned Authorized Officers are likewise authorized to surrender and exchange any one or all of the safe deposit boxes of the Authority at any time. JP Morgan Chase Bank, shall be entitled to rely on the right of access hereby given until it receives a written notification from the Authority of any change or revocation of the right of access, notwithstanding that this authority may have been otherwise revoked by the Authority or by operation of law.

5. The Authority from time to time may change the persons whose signatures may be honored in connection with the foregoing accounts and safe deposit boxes of the Authority by Resolution and shall thereafter notify such aforementioned depositories and the State Treasurer of such changes. The foregoing Resolution shall remain in full force and effect until written notice of its amendment or rescission shall have been received by such aforementioned depositories, and receipt of such notice shall not affect any action taken by such aforementioned depositories prior thereto. The Chairperson or the Acting Executive Director of the Authority are hereby authorized and directed to certify this Resolution to such aforementioned depositories.
6. This Resolution shall take effect on October 21, 2021.

I, Susan Corbin, hereby certify that I am the Chair of the Michigan State Housing Development Authority and that the foregoing is a true and exact copy of a Resolution duly adopted by the Authority at a duly convened meeting thereof held on October 21, 2021. I further certify that the true signatures of the signatories authorized to sign on the accounts referred to in the foregoing Resolution appear below.

Name

Title

Gary Heidel

Acting Executive Director

\_\_\_\_\_

Clarence L. Stone, Jr.

Director of Legal Affairs

\_\_\_\_\_

Richard M. Norton

Deputy Director of  
Legal Affairs

\_\_\_\_\_

Kelly A. Rose

Chief Housing Solutions  
Officer

\_\_\_\_\_

Jeffrey J. Sykes

Chief Financial Officer

\_\_\_\_\_

Kelly A. Rose                      Acting Chief  
Housing Investment Officer \_\_\_\_\_

Teena Briggs                      Manager of Audit, Single  
Family and Multi-Family  
Mortgage Servicing \_\_\_\_\_

Cisco Potts                      Senior Account Analyst \_\_\_\_\_

IN WITNESS WHEREOF, I have hereunto set my hand as Chair of the Michigan State Housing  
Development Authority and the seal of the Authority this \_\_\_\_ day of October 2021.

\_\_\_\_\_  
Susan Corbin, Chair





# MSHDA

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

## M E M O R A N D U M

**TO:** Authority Members

**FROM:** Gary Heidel, Acting Executive Director *Gy Heidel*

**DATE:** October 21, 2021

**RE:** Silver Stone Townhomes, MSHDA No. 961

---

### **RECOMMENDATION:**

I recommend the Michigan State Housing Development Authority (the "Authority") approve a waiver of the prepayment prohibition for the first mortgage on Silver Stone Townhomes, MSHDA #961.

### **EXECUTIVE SUMMARY:**

Silver Stone Townhomes (the "Development") is a 105-unit family development located in the City of Lansing, Michigan. The Development was originally constructed in 1999 with funds from the Authority's TEAM Program and a 4% Low Income Housing Tax Credit ("LIHTC") award. In 2011, the Authority approved a \$3,369,776 Section 1602 Mortgage Loan through the Reinvestment and Innovation Program to address the Development's physical needs.

The Owner is seeking permission from the Authority to prepay the first mortgage loan. Since the Development is ineligible for prepayment, the Authority will require the payment of lost spread to make this transaction revenue neutral to the Authority. In addition, the Development will be required to keep all income and rent restrictions associated with the first mortgage in place until the maturity date on July 1, 2035. The LIHTC regulatory agreement and the Section 1602 regulatory agreement will remain in effect and will not be altered by this transaction.

### **ADVANCING THE AUTHORITY'S MISSION:**

The term of affordability will not be affected by this transaction, and the Development will remain affordable until December 31, 2041, through the extended use period in the Section 1602 regulatory agreement.

### **MUNICIPAL SUPPORT:**

There has not been municipal support requested as part of the prepayment request.

### **COMMUNITY ENGAGEMENT/IMPACT:**

There has not been community engagement as part of the prepayment request; however, the units will remain affordable through the stated period of affordability.

**RESIDENT IMPACT:**

No residents will be displaced due to the prepayment.

**ISSUES, POLICY CONSIDERATIONS, AND RELATED ACTIONS:**

None.



## ACTION REPORT

|                                  |  |
|----------------------------------|--|
| DATE:                            | October 21, 2021                                     |
| ASSET MANAGER:                   | Amber McCray   |
| MSHDA #:                         | 961  |
| DEVELOPMENT NAME:                | Silver Stone Townhomes                               |
| LOCATION:                        | 5639 S. Martin Luther King Blvd<br>Lansing, MI 48911 |
| CUT OFF DATE:                    | June 25, 2000  |
| ASSIGNED ATTORNEY:               | John Swift   |
| MANAGEMENT AGENT:                | Millennia Housing Management<br>Ltd.                 |
| MANAGING GENERAL<br>PARTNER (S): | Silver Stone Investment LLC                          |
| LIMITED PARTNER:                 | Silver Stone LDHA LP                                 |

### **RECOMMENDATION:**

I recommend the Michigan State Housing Development Authority (the "Authority") approve a waiver of the prepayment prohibition for the first mortgage on Silver Stone Townhomes, MSHDA #961.

### **I. BACKGROUND:**

Silver Stone Townhomes ("the Development") is a 105-unit family development located south of Lansing's downtown business district and within a short drive off a freeway interchange. The Development is comprised of 13 buildings that contain a total of 105 units. Units are divided by bedroom count as follows: 14 one-bedroom units, 79 two-bedroom units, and 12 three-bedroom units.

Silver Stone Townhomes was originally constructed in 1999 through the TEAM program. In 2011, the Authority approved \$3,369,776 of Section 1602 funds through the Authority's Reinvestment and Innovation Program to address the Development's physical needs.

In July 2021, the Authority received a request from ownership to prepay the balance of the first mortgage loan. The first mortgage loan is prohibited from prepayment until mortgage maturity, so Board approval is required for this request. To make this transaction revenue neutral to the Authority, ownership has agreed to pay lost interest spread calculated through the mortgage maturity date and a 1% prepayment penalty.

Although the first mortgage will be paid in full, the project will remain affordable. Currently the Development is restricted by the MSHDA regulatory agreement, the 1602 regulatory agreement, and the LIHTC regulatory agreement. The rent and income restrictions for all three programs are identical. The Authority regulatory agreement will remain in effect until July 1, 2035, which is the mortgage maturity date; after that date, the Authority regulatory agreement may be discharged unless the Qualified Project Period for the tax-exempt bonds used to finance the first mortgage loan continues

beyond that date--if so, those provisions will be preserved. No residents will be displaced due to the early payoff.

**II. CURRENT FINANCIAL CONDITION:**

- A. The Development currently has 10 vacant units (9.5%) with an economic vacancy of 13.15%.
- B. Liquidity has increased from (\$167,885) in June 2020 to (\$112,364) in June 2021.
- C. The Development currently has \$23,677 in resident receivables, of which 100% are on a payment plan; \$7,430 over 30 days.
- D. The Development currently has \$164,657 in payables, of which \$161,760 are from the managing agent, Millenia Housing Management.

**III. SUMMARY OF PROPOSAL:**

- A. The Authority has received a request from ownership to prepay the balance of the first mortgage loan for Silver Stone Townhomes.
- B. As a condition of the prepayment ownership has agreed to pay lost spread, which is expected to be approximately \$748,501, based on a projected payoff date of December 31, 2021. Lost spread varies depending on financial market conditions--the exact amount will be determined on the day of the prepayment.
- C. There is a prepayment penalty associated with this mortgage note equal to 1% of the balance being prepaid. Ownership has agreed to pay this amount, which is expected to be approximately \$34,402, based upon a payoff date of December 31, 2021.
- D. After the first mortgage is paid in full the Authority mortgage will be discharged.
- E. The Authority regulatory agreement will remain in effect until July 1, 2035, which is the mortgage maturity date. The Authority regulatory agreement will remain unaltered until the completion of the Section 1602 initial 15-year compliance period. After the completion of the Section 1602 initial 15-year compliance period the Authority regulatory agreement will be amended to reduce the level of monitoring required by the Authority, as there is no longer a risk of financial loss. The Development will be monitored in the same manner as a LIHTC only property from the end of the Section 1602 initial 15-year compliance period until the original maturity date of the mortgage on July 1, 2035. After July 1, 2035, the Authority regulatory agreement may be discharged unless the Qualified Project Period for the tax-exempt bonds used to finance the first mortgage loan continues beyond that date--if so, those provisions will be preserved.
- F. The Section 1602 mortgage and Section 1602 regulatory agreement will remain in effect and will not be altered by this transaction.
- G. The LIHTC regulatory agreement will remain in effect and will not be altered by this transaction.
- H. Authority staff has verified that no open conditions exist related to the development for either owner or agent.

**IV. CURRENT DEVELOPMENT STATUS:**

|                                 |                             |
|---------------------------------|-----------------------------|
| Program Type:                   | TEAM                        |
| Original First Mortgage Amount: | \$5,442,900                 |
| Current First Mortgage Amount:  | \$3,521,739                 |
| Current Interest Rate:          | 6.00% (plus 0.50% deferred) |
| Payment Status:                 | Current                     |

Deferred Interest: \$523,831  
 Mortgage Prepayment Eligibility Date: Prohibited  
 Original Section 1602 Amount: \$3,369,776  
 Current Section 1602 Amount: \$3,369,776  
 Initial 1602 Compliance End Date: December 31, 2026  
 Ext. Use 1602 End Date: December 31, 2041  
 Initial LIHTC Compliance End Date: December 31, 2014  
 Ext. Use LIHTC End Date: December 31, 2029

Vacancy: 10 Units are Vacant or 9.5%

Economic Vacancy: 13.15%

Reserve and Escrow Balances as of August 31, 2021:

Replacement Reserve: \$ 731,298  
 Operating Assurance Reserve: \$ 360,269  
 ORC \$ 10,226

Financial Status:

One Month's Rent Potential: \$ 91,455  
 Liquidity: \$ (112,364)  
 Replacement Reserve Needs: \$ 25,200

**Prior Authority Action:**

- September 1, 1998 – Resolution Authorizing Mortgage Loan
- June 23, 2010 – Resolution of Acknowledgement and Delegating Authority to Authorize Loans Under Tax Credit Assistance Program and Section 1602 Program

**V. RENT SCHEDULE:**

| Bedroom      | # Units | # Units Vacant | 2021 Rents | Utility Allowance |
|--------------|---------|----------------|------------|-------------------|
| 1 BD         | 14      | 1              | \$750      | \$104             |
| 2 BD         | 79      | 8              | \$895      | \$127             |
| 3 BD         | 12      | 1              | \$1,050    | \$149             |
| <b>TOTAL</b> | 105     | <b>10</b>      |            |                   |

**VI. SPECIAL CONDITIONS:**

- Ownership must provide any documents as are deemed necessary by the Director of Legal Affairs to effectuate the terms and conditions outlined in this report.
- Any penalties and/or fees will be paid prior to or upon payoff of the outstanding mortgage loan.

**APPROVED:**

Troy Thelen  
Troy Thelen  
Director of Asset Management

10/11/21  
Date

Jeffrey J. Sykes  
Jeffrey J. Sykes  
Chief Financial Officer

\_\_\_\_\_  
Date

Clarence L. Stone, Jr.  
Clarence L. Stone, Jr.  
Director of Legal Affairs

\_\_\_\_\_  
Date

Gary Heidel  
Gary Heidel  
Acting Executive Director

\_\_\_\_\_  
Date

**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY**  
**RESOLUTION AUTHORIZING WAIVER OF MORTGAGE LOAN**  
**PREPAYMENT PROHIBITION**

**SILVER STONE TOWNHOMES, MSHDA DEVELOPMENT NO. 961**  
**CITY OF LANSING, INGHAM COUNTY**

**October 21, 2021**

WHEREAS, the Michigan State Housing Development Authority (the "Authority") made a mortgage loan (the "Mortgage Loan") to Silver Stone Limited Dividend Housing Association Limited Partnership, a Michigan limited partnership (the "Mortgagor"), for the acquisition and construction of Silver Stone Townhomes, MSHDA Development No. 961 (the "Development"); and

WHEREAS, the Mortgage Loan documents for the Development currently prohibit prepayment of the Mortgage Loan; and

WHEREAS, the Mortgagor has requested that the Authority waive the prepayment prohibition and allow a payoff of the Mortgage Loan for the reasons set forth in the accompanying Action Report dated October 21, 2021 (the "Action Report"); and

WHEREAS, the Acting Executive Director recommends that the Authority waive the prepayment prohibition and allow the prepayment of the Mortgage Loan, subject to compliance with the terms and conditions set forth in the Action Report; and

WHEREAS, the Authority concurs in the recommendation of the Acting Executive Director.

NOW, THEREFORE, the Michigan State Housing Development Authority resolves as follows:

1. The Authority hereby approves the prepayment of the Mortgage Loan, subject to the terms and conditions described in the accompanying Action Report.
2. The Executive Director, Chief Financial Officer, Chief Housing Investment Officer, Director of Legal Affairs, Deputy Director of Legal Affairs or any person duly appointed to act in that capacity, each is hereby authorized to (a) consent to a modification of the terms and conditions set forth in the attached Action Report, as he or she shall deem advisable and appropriate, and (b) enter into such agreements as may be necessary or appropriate to effectuate the prepayment transaction, including without limitation discharges, releases, swap termination agreements and amended regulatory agreements.



# MSHDA

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

## M E M O R A N D U M

**TO:** Authority Members

**FROM:** Gary Heidel, Acting Executive Director *Gy Heidel*

**DATE:** October 21, 2021

**RE:** Hartland Senior Living, Development No. 3915

### **RECOMMENDATION:**

I recommend that the Michigan State Housing Development Authority (the "Authority") adopt resolutions that 1) determine Mortgage Loan Feasibility as to the following proposal, 2) authorize tax-exempt bond and Mortgage Resource Fund ("MRF") mortgage loans in the amounts set forth in this report, 3) authorize a waiver of the Authority's Multifamily Direct Lending Parameters regarding underwritten rent percentages, and 4) authorize the Executive Director, or an Authorized Officer of the Authority, to issue the Authority's Mortgage Loan Commitment with respect to this development, subject to the terms and conditions set forth in this report.

### **PROJECT SUMMARY:**

|                                    |   |
|------------------------------------|---|
| MSHDA No:                          | 3915  |
| Development Name:                  | Hartland Senior Living  |
| Development Location:              | Hartland Township, Livingston County                            |
| Sponsor:                           | PIRHL Developers, LLC   |
| Mortgagor:                         | Hartland Senior Living Limited Dividend Housing Association LLC |
| Number of Units:                   | 146 units (61 Affordable, 85 Market)                            |
| Total Development Cost:            | \$45,303,436  |
| TE Bond Construction & Perm Loan:  | \$31,586,338  |
| MSHDA HOME Funds:                  | \$ 2,045,088  |
| MSHDA Mortgage Resource Fund Loan: | \$ 4,272,179  |
| LIHTC Equity:                      | \$ 5,939,765  |
| Income from Operations:            | \$ 1,106,606  |
| Deferred Developer Fee:            | \$ 353,360  |

### **EXECUTIVE SUMMARY:**

Hartland Senior Living (the "Development") will provide 146 units of new construction senior



housing in a three-story building. 61 units will be available **AT INCOME AND RENT RESTRICTIONS** ~~for~~ **OF** 60% **AND/OR** below ~~Average~~ **AREA** Median Income ("AMI") **(INCLUDING 3 LOW-HOME UNITS)** and 85 units will be for market rate tenancy. The Development will offer a very attractive amenity package for its senior residents including:

- Full time activities coordinator
- Fitness Center and classes
- Shuttle bus transportation
- Full size washer and dryer units (Market units only- affordable units have hook-ups)
- Common Laundry and laundry service also available
- Theatre room
- Media Center
- Bistro
- On-site 3<sup>rd</sup> party home-based health care provider with 24 hour per day response
- Formal dining room
- Meal plan included in market rate rent (affordable tenants ala carte)
- Housekeeping services (affordable tenants ala carte)
- Carports (ala carte)
- Personal monitoring services (ala carte)

I am recommending Board approval for the following reasons:

- The Development will provide new mixed-income senior housing with additional services.
- Authority financing of this Development presents minimal risk due to the strength of operations of similar developments and the sponsor's track record.
- A new earning asset will be added to the Authority's portfolio.

#### **ADVANCING THE AUTHORITY'S MISSION:**

- The Authority's senior portfolio of rental housing will increase by 146 units, including 61 affordable units.
- The Affordability period for these units range from 40 to 50 years, depending on the funding source.

#### **MUNICIPAL SUPPORT:**

Municipal support is evidenced by approval of the site plan and rezoning:

- December 10, 2019 - Township Board: Review of Conceptual proposal
- August 24, 2020 - Hartland Township Planning Commission: public hearing for the preliminary planned development ("PD") site plan
- July 8, 2021 - Hartland Township Planning Commission: final PD review/approval
- July 20, 2021 - Hartland Township Board rezoning approval

#### **COMMUNITY ENGAGEMENT/IMPACT:**

- This is a new construction development that will enhance affordable senior housing in this rural community. Community members attended some of the many planning commission

and township meetings where the proposal was presented and had an opportunity to comment.

**RESIDENT IMPACT:**

- No displacement is occurring as this is new construction.
- Residents will benefit from planned activities and van transportation and will have the option of prepared meals, housekeeping, and personal monitoring services.

**ISSUES, POLICY CONSIDERATIONS, AND RELATED ACTIONS:**

This proposal will not receive a payment in lieu of taxes ("PILOT") and will be subject to ad valorem taxes.

It is recommended that a waiver be granted for the Multifamily Direct Lending Parameter (Section VI.E.1) that requires for new construction underwriting purposes, that rents on all units restricted to the Multifamily Tax Subsidy Projects ("MTSP") 60% AMI limit be limited to 95% of 30% of the MTSP 60% AMI limit. The Development's rents will be underwritten at 100% of 30% of the MTSP 60% AMI limit. Authority staff have underwritten numerous new construction developments with a similar structure and do not believe the waiver will have any negative impact.



## **MORTGAGE LOAN FEASIBILITY/COMMITMENT STAFF REPORT**

October 21, 2021

### **RECOMMENDATION:**

I recommend that the Michigan State Housing Development Authority (the "Authority") adopt resolutions that 1) determine Mortgage Loan Feasibility as to the following proposal, 2) authorize tax-exempt bond and Mortgage Resource Fund ("MRF") mortgage loans in the amounts set forth in this report, 3) authorize a waiver of the Authority's Multifamily Direct Lending Parameters regarding underwritten rent percentages, and 4) authorize the Executive Director, or an Authorized Officer of the Authority, to issue the Authority's Mortgage Loan Commitment with respect to this development, subject to the terms and conditions set forth in this report.

|   |  |
|---|--|
| <b><u>MSHDA No.:</u></b>                      | 3915   |
| <b><u>Development Name:</u></b>               | Hartland Senior Living   |
| <b><u>Development Location:</u></b>           | Hartland Township, Livingston County   |
| <b><u>Sponsor:</u></b>                        | PIRHL Developers, LLC  |
| <b><u>Mortgagor:</u></b>                      | Hartland Senior Living Limited Dividend Housing Association, LLC   |
| <b><u>TE Bond Permanent Loan:</u></b>         | \$31,586,338   |
| <b><u>MSHDA Permanent HOME Loan:</u></b>      | \$2,045,088  |
| <b><u>MSHDA Permanent MRF Loan:</u></b>       | \$4,272,179  |
| <b><u>Total Development Cost:</u></b>         | \$45,303,436   |
| <b><u>Mortgage Amortization and Term:</u></b> | 40 years for the tax-exempt bond loan; 50 years for the HOME loan; 50 years for the MRF loan                     |
| <b><u>Interest Rate:</u></b>                  | 4.25% for the tax-exempt bond loan; 1% simple interest for the HOME loan and 3% simple interest for the MRF loan |
| <b><u>Program:</u></b>                        | Tax-Exempt Bond and Gap Financing Programs   |
| <b><u>Number of Units:</u></b>                | 146 elderly units of new construction  |
| <b><u>Unit Configuration:</u></b>             | 82 one-bedroom and 64 two-bedroom apartments   |
| <b><u>Builder:</u></b>                        | PIRHL Contractors, LLC   |
| <b><u>Syndicator:</u></b>                     | Affordable Housing Partners, LLC   |
| <b><u>Date Application Received:</u></b>      | March 2019   |
| <b><u>HDO:</u></b>                            | Charles Smith  |

Issuance of the Authority's Mortgage Loan Commitment is subject to fulfillment of all Authority processing and review requirements and obtaining all necessary staff approvals as required by the Authority's underwriting standards.

### **ISSUES, POLICY CONSIDERATIONS AND RELATED ACTIONS:**

This proposal will not receive a payment in lieu of taxes ("PILOT") and will be subject to ad valorem

taxes. The sponsor has been unsuccessful in getting a PILOT from Hartland Township.

It is recommended that a waiver be granted for the Multifamily Direct Lending Parameter (Section VI.E.1) that requires for new construction underwriting purposes, that rents on all units restricted to the Multifamily Tax Subsidy Projects ("MTSP") 60% Area Median Income ("AMI") limit be limited to 95% of 30% of the MTSP 60% AMI limit.

### **EXECUTIVE SUMMARY:**

Hartland Senior Living (the "Development") will provide 146 units of new construction senior housing in a three-story building. 61 units will be available **AT INCOME AND RENT RESTRICTIONS for OF 60% AND/OR below Average AREA Median Income ("AMI") (INCLUDING 3 LOW-HOME UNITS)**. The Development will offer a very attractive amenity package for its senior residents including:

- Full time activities coordinator
- Fitness Center and classes
- Shuttle bus transportation
- Full size washer and dryer units (Market units only- affordable units have hook-ups)
- Common Laundry and laundry service also available
- Theatre room
- Media Center
- Bistro
- On-site 3<sup>rd</sup> party home-based health care provider with 24 hour per day response
- Formal dining room
- Meal plan included in market rate rent (affordable tenants ala carte)
- Housekeeping services (affordable tenants ala carte)
- Carports (ala carte)
- Personal monitoring services (ala carte)

### **Structure of the Transaction and Funding:**

There are several elements to this transaction that are common to new construction transactions:

- A tax-exempt bond construction and permanent mortgage loan will be provided by the Authority (the "Mortgage Loan"). The Mortgage Loan will be in the amount of \$31,586,338 at 4.25% interest with 38-monthly interest only payments (a 20-month construction term and a 18-month rent-up period required under the construction loan). The permanent financing date will commence on the first day of the month following the month in which the 38-month construction loan term expires or such later date as determined by an Authorized Officer of the Authority (the "Permanent Financing Date").
- The permanent tax-exempt bond loan is based upon the current rents, less vacancy loss, payments to reserves and escrows, operating costs based on historical data unless modified by project improvements and construction and soft costs at levels appropriate for this specific transaction. The permanent loan includes a 1.15 debt service coverage ratio, an annual interest rate of 4.25%, with a fully amortizing term of 40 years commencing on the Permanent Financing Date. The Mortgage Loan will be funded on the Permanent Financing Date and will be in **First Position**.

**Mortgage Feasibility/Commitment Staff Report  
Hartland Senior Living, MSHDA No. 3915  
Hartland Township, Livingston County  
October 21, 2021**

- A permanent subordinate loan using an Authority MRF Loan (the “MRF Loan”) in the amount of \$4,272,179 will be provided at 3% simple interest with payments initially deferred. The MRF Loan will be in **Second Position**.
- A permanent subordinate loan using HOME funds (the “HOME Loan”) in the amount of \$2,045,088 will be provided at 1% simple interest with payments initially deferred. The HOME Loan will be in **Third Position**.
- Equity support comes from an investment related to the 4% Low Income Housing Tax Credits (“LIHTC”) in the estimate amount of \$5,939,765.
- Income from operations will be used as a source of funding to make the interest only payments and the tax and insurance payments during the construction period in the amount of \$1,106,606.
- Managing Member Equity of \$100 will also be included as a source.
- The Sponsor has agreed to defer \$353,360 of the developer fee to help fill the remaining funding gap.
- An 18 month rent-up allowance in the amount identified in the attached proforma will be required to support interest payments between construction completion and the Mortgage Cut-Off Date, as determined by the Authority.
- An operating assurance reserve (“OAR”) will be required in the amount identified in the attached proforma. The reserve will be capitalized at closing in an amount which, along with accumulated interest, is expected to meet the Development’s unanticipated operating needs. This reserve will be held by the Authority.

**Site Selection:**

The site has been vetted by Authority Staff and the Authority’s Manager of the Office of Market Research has indicated that the site meets the Authority’s current site selection criteria.

**Market Evaluation:**

The unit mix as well as the amenities package and rent levels have been approved by the Manager of the Office of Market Research Rental Development Division.

**Valuation of the Property:**

An appraisal dated November 6, 2019, estimates the value at \$1,345,000.

**CONDITIONS:**

At or prior to (i) issuance of the Authority’s mortgage loan commitment (“Mortgage Loan Commitment”), (ii) the initial Mortgage Loan Closing (the “Initial Closing”), or (iii) such other date as may be specified herein, the new Mortgagor and other members of the Development team, where

appropriate, must satisfy each of the following conditions by entering into a written agreement or providing documentation acceptable to the Authority:

**Standard Conditions:**

**1. Limitation for Return on Equity:**

For each year of the Development's operation, beginning in the year in which the Mortgage Cut-Off Date occurs, payments are limited to twelve percent (12%) of the Mortgagor's equity. For purposes of distributions, the Mortgagor's equity will be the sum of (i) the LIHTC equity; (ii) the brownfield tax credit equity; (iii) the historic tax credit equity; (iv) general partner capital contributions; and (v) any interest earned on an equity escrow held by the Authority (estimated to be a total of \$5,939,765). All such payments shall be referred to as "Limited Dividend Payments". The Mortgagor's return shall be fully cumulative. Limited Dividend Payments shall be capped at 12% per annum, until the MRF Loan and the HOME Loan have been repaid. Thereafter, Limited Dividend Payments may increase 1% per annum until a cap of 25% per annum is reached.

**2. Income Limits:**

The income limitations for 146 units of this proposal are as follows:

- a. ~~Two~~ **THREE** units have been designated as Low-HOME units and during the Period of Affordability required under the HOME program (20 years) must be available for occupancy by households whose incomes do not exceed the Low HOME income limit as published by HUD, adjusted for family size.
- b. ~~Nine~~ **EIGHT** units have been designated as High-HOME units and during the Period of Affordability required under the HOME program (20 years) must be available for occupancy by households whose incomes do not exceed the lesser of 60% of the MTSP income limits or the High HOME income limit, as published by HUD, adjusted for family size.
- c. Sixty-one units (39 one-bedroom units and 22 two-bedroom units) must be available for occupancy by households whose incomes do not exceed the MTSP 60% income limits, adjusted for family size, until latest of (i) the expiration of the LIHTC "Extended Use Period" as defined in the Development's LIHTC Regulatory Agreement; (ii) 50 years from Initial Closing; or (iii) so long as any Authority loan remains outstanding.
- d. Eighty-Five units (43 one-bedroom units and 42 two-bedroom units) are market rate and may be rented without regard to income.

To the extent units within the Development are subject to multiple sets of income limits, the most restrictive income limit will apply so long as the applicable term of affordability continues.

The income of individuals and area median income shall be determined by the Secretary of the Treasury in a manner consistent with determinations of lower income families and area median income under Section 8 of the U.S. Housing Act of 1937, including adjustments for

family size.

**3. Limitations on Rental Rates:**

The Total Housing Expense (contract rent plus tenant-paid utilities) for 146 units is subject to the following limitations:

- a. During the Period of Affordability required under the HOME program (20 years), the Total Housing Expense for the ~~2~~ **3** Low-HOME units may not exceed the "Low-HOME Rent Limit" for the unit established and published annually by HUD.
- b. During the Period of Affordability required under the HOME program (20 years), the Total Housing Expense for the ~~9~~ **8** High-HOME units may not exceed the "High-HOME Rent Limit" established and published annually by HUD.
- c. The Total Housing Expense for 61 units (39 one-bedroom units, and 22 two-bedroom units), may not exceed one-twelfth (1/12<sup>th</sup>) of 30% of 60% of the MTSP limit, adjusted for family size and based upon an imputed occupancy of one and one-half persons per bedroom. This restriction will apply until the latest of (i) the end of the Extended Use Period, (ii) 50 years after Initial Closing; or (iii) so long as any Authority loan remains outstanding.
- d. Eighty-Five units (43 one-bedroom and 42 two bedroom) are market rate and there shall be no limit on the rents charged for these units.

To the extent units within the Development are subject to multiple sets of rent limits, the most restrictive rent limit will apply so long as the applicable term of affordability continues.

While rental increases for these units may be permitted from time to time as HUD publishes updated median income limits, the Mortgagor must further agree that rental increases for targeted units will be limited to not more than 5% for any resident household during any 12-month period.

For the initial lease term of the first household occupying each rent restricted unit in the Development the initial rent may not exceed 105% of the rent approved in this Mortgage Loan Feasibility/Commitment Staff Report. Rental increases on occupied units during any 12-month period will be limited to not more than 5% of the rent paid by the resident household at the beginning of that annual period. Exceptions to this limitation may be granted by the Authority's Director of Asset Management for extraordinary increases in project operating expenses (exclusive of limited dividend payments) or mortgage loan increases to fund cost overruns pursuant to the Authority's policy on Mortgage Loan increases. Rents on vacated units may be increased to the maximum level permissible by the applicable programs. Rents and utility allowances must be approved annually by the Authority's Division of Asset Management.

Exceptions to the foregoing limitations may be granted by the Authority's Director of Asset Management to pay for extraordinary increases in operating expenses (exclusive of Limited Dividend Payments) or to enable the owner to amortize a Mortgage Loan increase to fund cost overruns pursuant to the Authority's policy on Mortgage Loan increases.

**4. Covenant Running with the Land:**

The Mortgagor must subject the Development site to a covenant running with the land so as to preserve the tax-exempt status of the obligations issued or to be issued to finance the Mortgage Loan. This covenant will provide that each unit must be rented or available for rental on a continuous basis to members of the general public for a period ending on the latest of the date which is 15 years after the date on which 50% of the residential units in the Development are occupied, the first day on which no bonds are outstanding with respect to the project, or the date on which assistance provided to the project under Section 8 of the U.S. Housing Act of 1937 terminates. The income of individuals and area median income shall be determined by the Secretary of the Treasury in a manner consistent with determinations of lower income families and area median income under Section 8 of the U.S. Housing Act of 1937, including adjustments for family size. Until the Secretary of the Treasury publishes its requirements, income of the individuals shall be determined in accordance with Section 8 regulations. Additionally, if LIHTC is awarded to the Development, the Mortgagor must agree to subject the property to the extended low income use commitment required by Section 42 of the Internal Revenue Code.

**5. Restriction on Prepayment and Subsequent Use:**

The Mortgage Loan is eligible for prepayment after the expiration of fifteen (15) years after the commencement of amortization. The Mortgagor must provide the Authority with at least 60 days' written notice prior to any such prepayment.

In the event of a prepayment, however, the Mortgagor must pay a prepayment fee equal to the sum of:

- a. 1% of the balance being prepaid;
- b. Any bond call premium, prepayment or swap penalty, or any other cost that the Authority incurs to prepay the bonds or notes that were used to fund the Mortgage Loan; and
- c. Any loss of debt service spread between the Mortgage Loan and the bonds used to finance the loan from the date of the prepayment through the end of the 20<sup>th</sup> year of amortization.

Once the Mortgagor has been approved for the early prepayment of the underlying loan, it must sign an agreement with the Authority stating it is responsible for the cost of terminating the swap. The Mortgagor can then choose the timing of the termination and participate in the transaction with the swap counterparty. The swap counterparty will quote the cost of terminating the swap and the Mortgagor will have the ability to execute the transaction or cancel at its sole discretion. If the Mortgagor chooses not to terminate the swap, it will forfeit the right to prepay the Mortgage Loan.

Subordinate loans are eligible to prepay at any time upon 60 days prior written notice to the Authority, but prepayment may not extinguish federal affordability and compliance requirements.

**6. Operating Assurance Reserve:**

At Initial Closing, the Mortgagor shall fund an operating assurance reserve ("OAR") in the



amount equal to 4 months of estimated Development operating expenses (estimated to be \$1,018,415) the OAR will be used to fund operating shortfalls incurred at the Development and will be disbursed by the Authority in accordance with the Authority's written policy on the use of the Operating Assurance Reserve, as amended from time to time. The OAR must be either (i) fully funded with cash, or (ii) funded with a combination of cash and an irrevocable, unconditional letter of credit acceptable to the Authority, in an amount that may not exceed 50% of the OAR requirement. To the extent that any portion of the OAR is drawn for use prior to the final closing of the Mortgage Loan, the Mortgagor must restore the OAR to its original balance at final closing.

**7. Replacement Reserve:**

The Mortgagor must agree to establish a replacement reserve fund ("Replacement Reserve") by making annual deposits to the Replacement Reserve, beginning on the Mortgage Cut-Off Date, at a minimum of \$300 per unit for the first year of operation, payable in monthly installments, with deposits in subsequent years to be the greater of (i) the prior year's deposit, increased by 3%, or (ii) a percentage of the Development's projected annual rental income or gross rent potential ("GRP") for the year using the percentage obtained by dividing the first year's deposit by the first year's GRP shown on the operating proforma for the Development attached hereto. The annual deposit to the Replacement Reserve may also be increased to any higher amount that is determined to be necessary by the Authority, based on a CNA and the Authority's Replacement Reserve policies. The Authority may update any CNA or obtain a new CNA every five years, or upon any frequency, as determined necessary by the Authority.

**8. Authority Subordinate Loan(s):**

At Initial Closing, the Mortgagor must enter into written agreements relating to the permanent MRF Loan and the permanent HOME Loan. The MRF Loan and the HOME Loan will each be secured by a subordinate mortgage. The HOME Loan will bear simple interest at 1% with a 50-year term, and the MRF Loan will bear simple interest at 3% with a 50-year term. No loan payments will be required on either the MRF Loan or the HOME Loan until the earlier of (a) the year in which the sum of all annual surplus funds available for distribution equals or exceeds the amount of the deferred developer fee, or (b) the 13<sup>th</sup> year following the commencement of amortization of the Mortgage Loan. Interest will continue to accrue on each loan until paid in full.

At the earlier of (a) the year in which the sum of all annual surplus funds available for distribution equals or exceeds the amount of the deferred developer fee or (b) the 13<sup>th</sup> year following the date that Mortgage Loan amortization commences, repayment of the MRF Loan and the HOME Loan will commence according to the following:

- So long as both of the Mortgage Loan and the MRF Loan remain outstanding, then repayment of the MRF Loan will be made from fifty percent (50%) of any surplus cash available for distribution ("Surplus Funds"), applied first to accrued interest, then to current interest and principal, and no payments will be required on the HOME Loan.
- If the MRF Loan is repaid in full while the Mortgage Loan remains outstanding, then upon repayment of the MRF Loan, repayment of the HOME Loan will commence

and be made from fifty percent (50%) of Surplus Funds, applied first to accrued interest, then to current interest and principal.

- Upon payment in full of the Mortgage Loan, if both the MRF Loan and the HOME Loan remain outstanding, then the outstanding balance of the MRF Loan, including accrued interest, will become the new first mortgage loan and will begin amortization with monthly payments equal to the payments made under the original Mortgage Loan. At this time, payments on the HOME Loan will commence and be made from fifty percent (50%) of Surplus Funds, applied first to accrued interest, then to current interest and principal.
- Upon payment in full of both the Mortgage Loan and the MRF Loan, the outstanding balance of the HOME Loan, including accrued interest, will become the new first mortgage loan and will begin amortization with monthly payments equal to the payments made under the original Mortgage Loan.
- The entire principal balance and any accrued interest of the MRF Loan and the HOME Loan will be due and payable after 50 years.

Notwithstanding the foregoing, in the event of any sale or refinance of the Development, the MRF Loan and the HOME Loan will be due and payable at that time.

**9. Architectural Plans and Specifications; Contractor's Qualification Statement:**

Prior to Mortgage Loan Commitment, the architect must submit architectural drawings and specifications that address all design review comments, acceptable to the Authority's Chief Architect and the Director of Development.

Prior to Mortgage Loan Commitment, the general contractor must submit AIA Document A305 as required by the Authority's Chief Architect.

**10. Owner/Architect Agreement:**

Prior to Mortgage Loan Commitment, the Mortgagor must provide the Authority with an executed Owner Architect Agreement acceptable in form and substance to the Director of Legal Affairs.

**11. Trade Payment Breakdown:**

Prior to Mortgage Loan Commitment, the general contractor must submit a signed Trade Payment Breakdown acceptable to the Authority's Design and Construction Manager.

**12. Section 3 Requirements:**

Prior to Mortgage Loan Commitment, the general contractor must agree to comply with all federal Section 3 hiring requirements. The general contractor must provide a copy of the contractor's "Section 3 Hiring Plan" which must be reviewed and found acceptable to the Authority's Section 3 Compliance Officer. In addition, the general contractor must agree to adhere to follow-up reporting requirements as established by the Authority.

**13. Equal Opportunity and Fair Housing:**

Prior to Mortgage Loan Commitment, the management and marketing agent's Affirmative Fair Housing Marketing Plan must be reviewed and found acceptable to the Authority's Equal Employment Officer for Fair Housing Requirements.

In addition, prior to Mortgage Loan Commitment, the general contractor's Equal Employment Opportunity Plan must be reviewed and found acceptable to the Authority's Equal Employment Officer.

**14. Cost Certification:**

The contractor's cost certification must be submitted within 90 days following the completion of construction, and the Mortgagor's cost certification must be submitted within 90 days following the Mortgage Cut-off Date. For LIHTC, the owner is obligated to submit cost certifications applicable to itself and the contractor prior to issuance of IRS form 8609 (see LIHTC Program Cost Certification Guidelines).

**15. Environmental Review and Indemnification:**

Prior to Mortgage Loan Commitment, the Mortgagor must address any outstanding environmental issues, in form and substance acceptable to the Authority's Environmental Review Officer.

At Initial Closing, the Mortgagor must enter an agreement to indemnify the Authority for any loss, damage, liability, claim, or expense which it incurs as a result of any violation of environmental laws. The indemnification agreement must be acceptable to the Director of Legal Affairs.

**16. Title Insurance Commitment and Survey:**

Prior to Mortgage Loan Commitment, the Mortgagor must provide an updated title insurance commitment, including zoning, pending disbursement, comprehensive, survey and such other endorsements as deemed necessary by the Authority's Director of Legal Affairs. The updated title commitment must contain only exceptions to the insurance acceptable to the Authority's Director of Legal Affairs.

Additionally, prior to Mortgage Loan Commitment, the Mortgagor must provide a surveyor's certificate of facts together with an ALTA survey certified to the 2021 minimum standards, and that appropriately reflects all easements, rights of way, and other issues noted on the title insurance commitment. All documents must be acceptable to the Director of Legal Affairs.

**17. Organizational Documents/Equity Pay-In Schedule:**

Prior to Mortgage Loan Commitment, the Mortgagor must submit a substantially final form syndication partnership agreement, including an equity pay-in schedule, that is acceptable in form and substance to the Director of Development and Director of Legal Affairs.

At or prior to Initial Closing, the final, executed syndication partnership agreement must

become effective and the initial installment of equity must be paid in an amount approved by the Director of Development.

**18. Designation of Authority Funds:**

The Authority reserves the express right, in its sole discretion, to substitute alternate subordinate funding sources.

**19. Management & Marketing:**

Prior to Mortgage Loan Commitment, the management and marketing agent must submit the following documents, which must be found acceptable to the Director of Asset Management:

- a. Management Agreement
- b. Marketing Addendum

**20. Guaranties:**

At Initial Closing, the Sponsor, General Partner, and any entity receiving a developer fee in connection with the Development must deliver certain guaranties. The required guaranties include a guaranty of HOME recapture liability, an operating deficit guaranty and a performance completion guaranty. The required guaranties, the terms thereof and the parties who shall be required to deliver the guaranty must be determined and approved by the Authority's Director of Development.

**21. Financial Statements:**

Prior to Mortgage Loan Commitment, financial statements for the Sponsor, the guarantor(s) and the general contractor must be reviewed and found acceptable by the Authority's Chief Financial Officer.

If prior to Initial Closing the financial statements that were approved by the Authority become more than six months old, the Sponsor, the guarantor(s) and/or the general contractor must provide the Authority with updated financial statements meeting Authority requirements upon request.

**22. Future Contributions:**

To ensure the Authority is contributing the least amount of funding necessary to achieve project feasibility, any decrease in Development costs or future contributions not included in the Development proforma may, at the Authority's discretion, be utilized to reduce, in equal proportions, any deferred developer fee and Authority soft funds.

**23. Ownership of Development Reserves:**

At the Initial Closing, the Mortgagor must enter into an agreement confirming the Authority's ultimate ownership of excess cash reserves, escrows and accounts as may exist at the time the Authority's mortgage loans are paid off or the Development is sold or refinanced. This agreement must be acceptable to the Authority's Director of Legal Affairs.

**24. HUD Authority to Use Grant Funds:**

Prior to Mortgage Loan Commitment, the Authority must receive HUD's Authority to Use Grant Funds (HUD 7015.16) in connection with the proposed HOME Loan from the Authority or confirmation that the Development is categorically excluded from NEPA review.

**25. HUD Subsidy Layering Review:**

Prior to Initial Closing, the subsidy layering review must be performed by Authority staff and must be submitted to HUD for approval. The subsidy layering approval is subject to review and approval by the Authority's Director of Development.

**26. Application for Disbursement:**

Prior to Initial Closing, the Mortgagor must submit an "Application for Disbursement" along with supporting documentation, which must be found acceptable to the Authority's Director of Development.

**Special Conditions:**

**1. Legal Requirements:**

The Mortgagor and/or Sponsor must submit documentation acceptable to the Authority's Director of Legal Affairs for the items listed below:

- Emergency access easements must be established connecting the Development property and the neighboring property prior to Initial Closing.
- Approvals required to extend and connect to public water system must be obtained prior to Initial Closing.
- Prior to Initial Closing, all conditions attached to Township Re-Zoning, Planned Development Agreement and Site Plan approval must be satisfied.
- Prior to Initial Closing, the Michigan Attorney General's Office must complete its review of the transaction and provide the Director of Legal Affairs its recommendation.
- Any other documentation as required by the Director of Legal Affairs, including acceptable evidence of insurance, permits, licenses, zoning approvals, utility availability, payment and performance bonds and other closing requirements.

**2. Van Transportation:**

The Mortgagor will enter into an agreement with the Authority to provide regular van transportation for the residents of the Development for the purposes of grocery and other shopping, and for recreational outings, at no charge to the tenants. The times, frequency and destination of the outing for which van transportation will be established by the Mortgagor, subject to the approval of the Authority's Director of Asset Management, whose approval will not be unreasonably withheld. The van transportation shall be in addition to Spec-Tran or any other service provided by the local public transportation system or its equivalent. The cost of providing van transportation services may be paid from development operating funds, residual receipts, or mortgage loan proceeds to the extent available. If however there are not sufficient funds from these sources, Mortgagor shall pay the cost of providing the van transportation services from the Mortgagor's own funds.

**3. Congregate Services:**

Prior to Initial Closing, the sponsor must agree in writing to provide congregate services as described in the management and marketing plans for the tenants for the life of the Mortgage Loan. The services must include, at the option of the tenant, one meal per day, light housekeeping, laundry services, and handyman services. The cost of these services must be paid from other than Mortgage Loan proceeds, Development rental income, and residual receipts.

**DEVELOPMENT TEAM AND SITE INFORMATION**

I. **MORTGAGOR:** Hartland Senior Living Limited Dividend Housing Association, LLC

II. **GUARANTOR(S):**

A. **Guarantor #1:**

**Name:** PIRHL, LLC  
**Address:** 800 West Saint Clair, 4<sup>th</sup> Floor  
Cleveland, OH 44113

III. **DEVELOPMENT TEAM ANALYSIS:**

A. **Sponsor:**

**Name:** PIRHL Developers, LLC  
**Address:** 800 West Saint Clair Avenue, 4<sup>th</sup> Floor  
Cleveland, OH 44113

**Individuals Assigned:** Kevin Brown  
**Telephone:** 216-453-5775  
**Fax:** 216-378-9691  
**E-mail:** kbrown@pirhl.com

1. **Experience:** The Sponsor has experience working on Authority-financed developments.

2. **Interest in the Mortgagor and Members:** PIRHL Hartland Senior Living LLC (a wholly owned affiliate of PIRHL GP Holdings, LLC) will own .0065%, Lockwood Family Investment Limited Partnership will own .0035%, and Affordable Housing Partners, Inc., or its designees will own 99.99% of Hartland Senior Living Limited Dividend Housing Association LLC.

B. **Architect:**

**Name:** RDL Architects  
**Address:** 16102 Chagrin Blvd, #200

**Mortgage Feasibility/Commitment Staff Report  
Hartland Senior Living, MSHDA No. 3915  
Hartland Township, Livingston County  
October 21, 2021**

Shaker Heights, OH 44120

**Individual Assigned:** Howard Shergalis  
**Telephone:** 216-752-4300  
**Fax:** 216-752-4301  
**E-Mail:** not provided

1. **Experience:** Architect has previous experience with Authority-financed developments.
2. **Architect's License:** License number 1301046349, exp. 4/12/2023.

**C. Attorney:**

**Name:** Dykema Gossett PLLC  
**Address:** 400 Renaissance Center  
Detroit, MI  
48243

**Individual Assigned:** Rochelle Lento  
**Telephone:** 313-568-5322  
**Fax:** 855-245-9124  
**E-Mail:** rlento@dykema.com

1. **Experience:** This firm has experience in closing Authority-financed developments.

**D. Builder:**

**Name:** PIRHL Contractors, LLC  
**Address:** 800 West St. Clair  
Cleveland, OH 44113

**Individual Assigned:** John Tarnowski  
**Telephone:** 216-378-9690 x101  
**Fax:** 216-378-9691  
**E-mail:** jtarnowski@pirhl.com

1. **Experience:** The firm has previous experience in constructing Authority-financed developments.
2. **State Licensing Board Registration:** License number 2102223121, with an expiration date of 5/31/22.

**E. Management and Marketing Agent:**

**Name:** Lockwood Companies LLC  
**Address:** 27777 Franklin Road, #1410  
Southfield MI 48034

**Mortgage Feasibility/Commitment Staff Report**  
**Hartland Senior Living, MSHDA No. 3915**  
**Hartland Township, Livingston County**  
**October 21, 2021**

**Individual Assigned:** Mark Lockwood  
**Telephone:** 248-203-0991  
**Fax:** 248-203-6691  
**E-mail:** mlockwood@lockwoodcompanies.com

1. **Experience:** This firm has significant experience managing Authority-financed developments.

**F. Development Team Recommendation:** Go

**IV. SITE DATA:**

- A. Land Control/Purchase Price:  
\$1,300,000
- B. Site Location:  
12371 Highland Road, Hartland Township, Livingston County
- C. Size of Site:  
Approximately 17.9 acres.
- D. Density:  
Deemed Appropriate
- E. Physical Description:
  1. Present Use: Vacant land
  2. Existing Structures: None
  3. Relocation Requirements: N/A
- F. Zoning:  
Planned Development
- G. Contiguous Land Use:
  1. North: Vacant
  2. South: Commercial
  3. East: Single Family Home
  4. West: Commercial
- H. Tax Information:  
Hartland Township did not approve a PILOT ordinance so ad valorem taxes will be levied.



I. Utilities: Electric: Detroit Edison, Natural Gas: Consumers Energy, Water: Hartland Township.

J. Community Facilities:

1. Shopping:  
There is a Meijer, Kroger, and Dollar Tree, 2 miles west of site
2. Recreation:  
Hartland Glen Golf Course is across the road from the site
3. Public Transportation:  
Not available
4. Road Systems  
Development is on the north side of M-59 and east of I-23
5. Medical Services and other Nearby Amenities:  
St Joseph Mercy Brighton Health Center is approximately 10 miles from site
6. Description of Surrounding Neighborhood:  
Fairly rural with some residential and commercial
7. Local Community Expenditures Apparent:  
Nonapparent
8. Indication of Local Support:  
Hartland Township has approved the proposed site plan

**VI. DESIGN AND COSTING STATUS:**

Architectural plans and specifications consistent with the scope of work have been reviewed by the Chief Architect. A response to all design review comments and the submission of corrected and final plans and specifications must be made prior to Initial Closing.

This proposal will satisfy the State of Michigan barrier-free requirements, the Authority's policy regarding accessibility and non-discrimination for the disabled, the Fair Housing Amendments Act of 1988, and the HOME requirements for barrier-free vision and hearing designed units. Construction documents must be acceptable to the Authority's Chief Architect.

**VII. MARKET SUMMARY:**

The Market study has been reviewed by the Authority's Chief Market Analyst and found to be acceptable. The Authority's Chief Market Analyst has reviewed and approved the unit mix, rental structure, and unit amenities.

**VIII. EQUAL OPPORTUNITY AND FAIR HOUSING:**

The contractor's Equal Employment Opportunity Plan is currently being reviewed and must be approved by the Authority's Design and Construction Manager prior to initial closing. The management and marketing agent's Affirmative Fair Housing Marketing Plan has been approved.

**IX. MANAGEMENT AND MARKETING:**

The management/marketing agent has submitted application-level management and

marketing information, to be approved prior to initial closing by the Authority's Director of Asset Management.

**X. FINANCIAL STATEMENTS:**

The sponsor's/guarantor's and the builder's financial statements have been submitted and are to be approved prior to initial closing by the Authority's Director of Rental Development.

**XI. DEVELOPMENT SCHEDULING:**

|   |                |
|---|----------------|
| <b>A.</b> Mortgage Loan Commitment:         | October 2021   |
| <b>B.</b> Initial Closing and Disbursement: | January 2022   |
| <b>C.</b> Construction Completion:          | September 2023 |
| <b>D.</b> Cut-Off Date:                     | April 2024     |

**XII. ATTACHMENTS:**

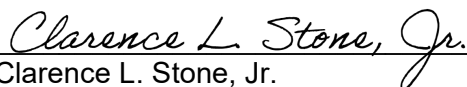
**A.** Development Proforma

**APPROVALS:**



Chad Benson  
Director of Development

\_\_\_\_\_  
Date



Clarence L. Stone, Jr.  
Director of Legal Affairs

\_\_\_\_\_  
Date



Gary Heidel  
Acting Executive Director

\_\_\_\_\_  
Date

Development Hartland Senior Living  
 Financing Tax Exempt  
 MSHDA No. 3915  
 Step Commitment  
 Date 10/21/2021  
 Type New Construction

**Mortgage Assumptions:**

Debt Coverage Ratio 1.15  
 Mortgage Interest Rate 4.250%  
 Pay Rate 4.250%  
 Mortgage Term 40 years  
 Income from Operations No

**Instructions**

**Total Development Income Potential**

|                          | Per Unit | Total     |
|--------------------------|----------|-----------|
| Annual Rental Income     | 22,382   | 3,267,732 |
| Annual Non-Rental Income | 233      | 34,050    |
| Total Project Revenue    | 22,615   | 3,301,782 |

**Total Development Expenses**

|                                  |                                |       |         |
|----------------------------------|--------------------------------|-------|---------|
| Vacancy Loss                     | 8.00% of annual rent potential | 1,791 | 261,419 |
| Management Fee                   | 562 per unit per year          | 562   | 82,052  |
| Administration                   |                                | 2,226 | 325,020 |
| Project-paid Fuel                |                                | 205   | 30,000  |
| Common Electricity               |                                | 582   | 85,000  |
| Water and Sewer                  |                                | 377   | 55,000  |
| Operating and Maintenance        |                                | 1,189 | 173,626 |
| Real Estate Taxes                |                                | 2,075 | 302,900 |
| Payment in Lieu of Taxes (PILOT) | Applied to: All Units          | 0     | 0       |
| Insurance                        |                                | 362   | 52,852  |
| Replacement Reserve              | 300 per unit per year          | 300   | 43,800  |
| Other:                           |                                | 0     |         |
| Other:                           |                                | 0     |         |

% of  
Revenue

|                                       |        |                |                   |
|---------------------------------------|--------|----------------|-------------------|
| <b>Total Expenses</b>                 | 42.75% | <b>9,669</b>   | <b>1,411,669</b>  |
| Base Net Operating Income             |        | 12,946         | 1,890,113         |
| Part A Mortgage Payment               | 49.78% | 11,257         | 1,643,577         |
| <b>Part A Mortgage</b>                |        | <b>216,345</b> | <b>31,586,338</b> |
| Non MSHDA Financing Mortgage Payment  |        | 0              |                   |
| <b>Non MSHDA Financing Type:</b>      |        | <b>0</b>       |                   |
| Base Project Cash Flow (excludes ODR) | 7.47%  | 1,689          | 246,537           |

| Initial<br>Inflation<br>Factor | Beginning<br>in Year | Future<br>Inflation<br>Factor |
|--------------------------------|----------------------|-------------------------------|
| 1.0%                           | 6                    | 2.0%                          |
| 1.0%                           | 6                    | 2.0%                          |
| Future Vacancy                 |                      |                               |
|                                | 6                    | 5.0%                          |
| 3.0%                           | 1                    | 3.0%                          |
| 3.0%                           | 1                    | 3.0%                          |
| 3.0%                           | 6                    | 3.0%                          |
| 4.0%                           | 6                    | 3.0%                          |
| 5.0%                           | 6                    | 5.0%                          |
| 3.0%                           | 1                    | 3.0%                          |
| 5.0%                           | 1                    | 5.0%                          |
| 3.0%                           | 1                    | 3.0%                          |
| 3.0%                           | 1                    | 3.0%                          |
| 3.0%                           | 1                    | 3.0%                          |

Override

Development Hartland Senior Living  
 Financing Tax Exempt  
 MSHDA No. 3915  
 Step Commitment  
 Date #####  
 Type New Construction

## Instructions

| Income Limits for  | Livingston County (Effective April 1,2021) |          |          |          |          |          |
|--------------------|--|----------|----------|----------|----------|----------|
|                    | 1 Person                                   | 2 Person | 3 Person | 4 Person | 5 Person | 6 Person |
| 30% of area median | 20,970                                     | 23,970   | 26,970   | 29,940   | 32,340   | 34,740   |
| 40% of area median | 27,960                                     | 31,960   | 35,960   | 39,920   | 43,120   | 46,320   |
| 50% of area median | 34,950                                     | 39,950   | 44,950   | 49,900   | 53,900   | 57,900   |
| 60% of area median | 41,940                                     | 47,940   | 53,940   | 59,880   | 64,680   | 69,480   |

2.20

### Rental Income

| Unit          | No. of Units                       | Unit Type | Bedrooms | Baths | Net Sq. Ft. | Contract Rent | Utilities | Total Housing Expense | Gross Rent | Current Section 8 Contract Rent | % of Gross Rent | % of Total Units | Gross Square Feet | % of Total Square Feet | TC Units Square Feet | Unit Type | Max Allowed Housing Expense |
|---------------|------------------------------------|-----------|----------|-------|-------------|---------------|-----------|-----------------------|------------|---------------------------------|-----------------|------------------|-------------------|------------------------|----------------------|-----------|-----------------------------|
| 50% Senior    | Area Median Income Units Occupancy |           |          |       |             |               |           |                       |            |                                 |                 |                  |                   |                        |                      |           |                             |
| A             | 2                                  | Apartment | 1        | 1.0   | 744         | 881           | 0         | 881                   | 21,144     |                                 | 0.6%            | 1.4%             | 1,488             | 1.2%                   | 1,488                | Low HOME  | 881                         |
| B             | 1                                  | Apartment | 2        | 1.5   | 993         | 1,080         | 0         | 1,080                 | 12,960     |                                 | 0.4%            | 0.7%             | 993               | 0.8%                   | 993                  | Low HOME  | 1,080                       |
|               |                                    |           |          |       |             |               |           |                       | 34,104     | 0                               | 1.0%            | 2.1%             | 2,481             | 2.0%                   | 2,481                |           |                             |
| 60% Senior    | Area Median Income Units Occupancy |           |          |       |             |               |           |                       |            |                                 |                 |                  |                   |                        |                      |           |                             |
| A             | 4                                  | Apartment | 1        | 1.0   | 744         | 881           | 0         | 881                   | 42,288     | 0                               | 1.3%            | 2.7%             | 2,976             | 2.4%                   | 2,976                | High HOME | 881                         |
| B             | 4                                  | Apartment | 2        | 1.5   | 993         | 1,080         | 0         | 1,080                 | 51,840     | 0                               | 1.6%            | 2.7%             | 3,972             | 3.2%                   | 3,972                | High HOME | 1,080                       |
|               |                                    |           |          |       |             |               |           |                       | 94,128     | 0                               | 2.9%            | 5.5%             | 6,948             | 5.6%                   | 6,948                |           |                             |
| 60% Senior    | Area Median Income Units Occupancy |           |          |       |             |               |           |                       |            |                                 |                 |                  |                   |                        |                      |           |                             |
| A             | 33                                 | Apartment | 1        | 1.0   | 744         | 1,123         | 0         | 1,123                 | 444,708    | 0                               | 13.6%           | 22.6%            | 24,552            | 19.7%                  | 24,552               |           | 1,123                       |
| B             | 17                                 | Apartment | 2        | 1.5   | 993         | 1,348         | 0         | 1,348                 | 274,992    | 0                               | 8.4%            | 11.6%            | 16,881            | 13.6%                  | 16,881               |           | 1,348                       |
|               |                                    |           |          |       |             |               |           |                       | 719,700    | 0                               | 22.0%           | 34.2%            | 41,433            | 33.3%                  | 41,433               |           |                             |
| Market Family | Rate Units Occupancy               |           |          |       |             |               |           |                       |            |                                 |                 |                  |                   |                        |                      |           |                             |
| A             | 43                                 | Apartment | 1        | 1.0   | 744         | 2,150         | 0         | 2,150                 | 1,109,400  | 0                               | 34.0%           | 29.5%            | 31,992            | 25.7%                  | 0                    |           | N/A                         |
| B             | 42                                 | Apartment | 2        | 1.5   | 993         | 2,600         | 0         | 2,600                 | 1,310,400  | 0                               | 40.1%           | 28.8%            | 41,706            | 33.5%                  | 0                    |           | N/A                         |
|               |                                    |           |          |       |             |               |           |                       | 2,419,800  | 0                               | 74.1%           | 58.2%            | 73,698            | 59.2%                  | 0                    |           |                             |
| Mgrs          |                                    |           |          |       |             |               |           |                       | 0          | 0                               | 0.0%            | 0.0%             | 0                 | 0.0%                   | 0                    |           |                             |

Total Revenue Units **146**  
 Manager Units **0**  
 Income Average 59.51%  
 Set Aside 40.83%

Gross Rent Potential **3,267,732**

HOME Units SF/Total Units SF 7.6%

Within Range

Average Monthly Rent **1,865**  
 Gross Square Footage **124,560**

# HOME Units/# Total Units 7.5%

Within Range

### Utility Allowances

Owner-Paid Owner-Paid Owner-Paid Owner-Paid Owner-Paid

### Annual Non-Rental Income

Misc. and Interest 0  
 Laundry 1,684  
 Carports 13,248  
 Personal Monitoring 16,118  
 Pet Fees 3,000  
**34,050**

|   | Electricity | A/C | Gas | Water/<br>Sewer | Other | Total | Override |
|---|-------------|-----|-----|-----------------|-------|-------|----------|
| A |             |     |     |                 |       | 0     |          |
| B |             |     |     |                 |       | 0     |          |
| C |             |     |     |                 |       | 0     |          |
| D |             |     |     |                 |       | 0     |          |
| E |             |     |     |                 |       | 0     |          |
| F |             |     |     |                 |       | 0     |          |
| G |             |     |     |                 |       | 0     |          |
| H |             |     |     |                 |       | 0     |          |

| Total Income          | Annual    | Monthly |
|-----------------------|-----------|---------|
| Rental Income         | 3,267,732 | 272,311 |
| Non-Rental Income     | 34,050    | 2,838   |
| Total Project Revenue | 3,301,782 | 275,149 |

## Instructions

| Existing Reserve Analysis |  |   |
|---------------------------|--|---|
| DCE Interest:             | Current Owner's Reserves:              | 0 |
| Insurance:                | Reserves Transferred in to Project     | 0 |
| Taxes:                    | Tax/Ins Escrows transferred to project | 0 |
| Rep. Reserve:             |  |   |
| ORC:                      |  |   |
| DCE Principal:            |  |   |
| Other:                    |  |   |

**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY**  
**RESOLUTION DETERMINING MORTGAGE LOAN FEASIBILITY**  
**HARTLAND SENIOR LIVING, MSHDA DEVELOPMENT NO. 3915**  
**HARTLAND TOWNSHIP, LIVINGSTON COUNTY**

**October 21, 2021**

WHEREAS, the Michigan State Housing Development Authority (the "Authority") is authorized under the provisions of Act No. 346 of the Public Acts of 1966 of the State of Michigan, as amended (the "Act"), to make mortgage loans to qualified non-profit housing corporations, consumer housing cooperatives and limited dividend housing corporations and associations; and

WHEREAS, an Application for Mortgage Loan Feasibility has been filed with the Authority by PIRHL Developers, LLC (the "Applicant") for a multifamily housing project to be located in the Township of Hartland, Livingston County, Michigan, having an estimated total development cost of Forty-Five Million Three Hundred Three Thousand Four Hundred Thirty-Six Dollars (\$45,303,436), a total estimated maximum mortgage loan amount of Thirty-One Million Five Hundred Eighty-Six Thousand Three Hundred Thirty-Eight Dollars (\$31,586,338) and a Mortgage Resource Fund loan in the amount of Four Million Two Hundred Seventy-Two Thousand One Hundred Seventy-Nine Dollars (\$4,272,179) (hereinafter referred to as the "Application"); and

WHEREAS, a housing association to be formed by the Applicant may become eligible to receive a mortgage loan from the Authority under the provisions of the Act and the Authority's General Rules; and

WHEREAS, the Acting Executive Director has forwarded to the Authority his analysis of the Application and his recommendations with respect thereto; and

WHEREAS, the Authority has considered the Application in the light of the Authority's project mortgage loan feasibility evaluation factors.

NOW, THEREFORE, Be It Resolved by the Michigan State Housing Development Authority as follows:

1. The following determinations be and they hereby are made:
  - a. The proposed housing project will provide housing for persons of low and moderate income and will serve and improve the residential area in which Authority-financed housing is located or is planned to be located, thereby enhancing the viability of such housing.
  - b. The Applicant is reasonably expected to be able to achieve successful completion of the proposed housing project.
  - c. The proposed housing project will meet a social need in the area in which it is to be located.

- d. A mortgage loan, or a mortgage loan not made by the Authority that is a federally-aided mortgage, can reasonably be anticipated to be obtained to provide financing for the proposed housing project.
- e. The proposed housing project is a feasible housing project.
- f. The Authority expects to allocate to the financing of the proposed housing project proceeds of its bonds issued or to be issued for multifamily housing projects a maximum principal amount not to exceed Thirty-Four Million Seventeen Thousand Five Hundred Thirty-Nine Dollars (\$34,017,539).

2. The proposed housing project be and it is hereby determined to be feasible for a mortgage loan on the terms and conditions set forth in the Mortgage Loan Feasibility/Commitment Report of the Authority Staff presented to the meeting, subject to any and all applicable determinations and evaluations issued or made with respect to the proposed housing project by other governmental agencies or instrumentalities or other entities concerning the effects of the proposed housing project on the environment as evaluated pursuant to the federal National Environmental Policy Act of 1969, as amended, and the regulations issued pursuant thereto as set forth in 24 CFR Part 58.

3. The determination of feasibility is based on the information obtained from the Applicant and the assumption that all factors necessary for the successful construction and operation of the proposed project shall not change in any materially adverse respect prior to the closing. If the information provided by the Applicant is discovered to be materially inaccurate or misleading, or any factors necessary for the successful construction and operation of the proposed project change in any materially adverse respect, this feasibility determination resolution may, at the option of the Executive Director, the Chief Housing Investment Officer, the Director of Legal Affairs, the Deputy Director of Legal Affairs, the Chief Financial Officer, the Deputy Director of Finance or any person duly authorized to act in any of the foregoing capacities (each an "Authorized Officer"), be immediately rescinded.

4. Neither this determination of feasibility nor the execution prior to closing of any documents requested to facilitate processing of a proposed mortgage loan to be used in connection therewith constitutes a promise or covenant by the Authority that it will make a Mortgage Loan to the Applicant.

5. This determination of Mortgage Loan Feasibility is conditioned upon the availability of financing to the Authority. The Authority does not covenant that funds are or will be available for the financing of the subject proposed housing development.

6. The Mortgage Loan Feasibility determination is subject to the conditions set forth in the Mortgage Loan Feasibility/Commitment Staff Report dated October 21, 2021, which conditions are hereby incorporated by reference as if fully set forth herein.



**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY**  
**RESOLUTION AUTHORIZING MORTGAGE LOAN**  
**HARTLAND SENIOR LIVING, MSHDA DEVELOPMENT NO. 3915**  
**HARTLAND TOWNSHIP, LIVINGSTON COUNTY**

**October 21, 2021**

WHEREAS, the Michigan State Housing Development Authority (the "Authority") is authorized, under the provisions of Act No. 346 of the Public Acts of 1966 of the State of Michigan, as amended (hereinafter referred to as the "Act"), to make mortgage loans to qualified nonprofit housing corporations, consumer housing cooperatives, limited dividend housing corporations and associations and certain qualified individuals; and

WHEREAS, an application (the "Application") has been filed with the Authority by PIRHL Developers, LLC (the "Applicant") for a construction and permanent mortgage loan in the amount of Thirty-One Million Five Hundred Eighty-Six Thousand Three Hundred Thirty-Eight Dollars (\$31,586,338) for the construction and permanent financing of a multi-family housing project having an estimated total development cost of Forty-Five Million Three Hundred Three Thousand Four Hundred Thirty-Six Dollars (\$45,303,436), to be known as Hartland Senior Living, located in the Township of Hartland, Livingston County, Michigan, and to be owned by Hartland Senior Living Limited Dividend Housing Association LLC (the "Mortgagor"); and

WHEREAS, the Applicant has also requested a Mortgage Resource Fund ("MRF") loan in the estimated amount of Four Million Two Hundred Seventy-Two Thousand One Hundred Seventy-Nine Dollars (\$4,272,179) (the "MRF Loan") and a mortgage loan under the HOME Investment Partnerships Program using HOME funds in the estimated amount of Two Million Forty-Five Thousand Eighty-Eight Dollars (\$2,045,088) (the "HOME Loan"); and

WHEREAS, the Acting Executive Director has forwarded to the Authority his analysis of the Application and his recommendation with respect thereto; and

WHEREAS, the Authority has reviewed the Application and the recommendation of the Acting Executive Director and, on the basis of the Application and recommendation, has made determinations that:

- (a) The Mortgagor is an eligible applicant;
- (b) The proposed housing project will provide housing for persons of low and moderate income and will serve and improve the residential area in which Authority-financed housing is located or is planned to be located thereby enhancing the viability of such housing;
- (c) The Applicant and the Mortgagor are reasonably expected to be able to achieve successful completion of the proposed housing project;
- (d) The proposed housing project will meet a social need in the area in which it is to

be located;

- (e) The proposed housing project may reasonably be expected to be marketed successfully;
- (f) All elements of the proposed housing project have been established in a manner consistent with the Authority's evaluation factors, except as otherwise provided herein;
- (g) The construction or rehabilitation will be undertaken in an economical manner and it will not be of elaborate design or materials; and
- (h) In light of the estimated total project cost of the proposed housing project, the amount of the mortgage loan authorized hereby is consistent with the requirements of the Act as to the maximum limitation on the ratio of mortgage loan amount to estimated total project cost.

WHEREAS, the Authority has considered the Application in the light of the criteria established for the determination of priorities pursuant to General Rule 125.145 and hereby determines that the proposed housing project is consistent therewith; and

WHEREAS, Sections 83 and 93 of the Act provide that the Authority shall determine a reasonable and proper rate of return to limited dividend housing corporations and associations on their investment in Authority-financed housing projects.

NOW, THEREFORE, Be It Resolved by the Michigan State Housing Development Authority as follows:

1. The Application be and it hereby is approved, subject to the terms and conditions of this Resolution, the Act, the General Rules of the Authority, and of the Mortgage Loan Commitment hereinafter authorized to be issued to the Applicant and the Mortgagor.

2. A mortgage loan (the "Mortgage Loan") be and it hereby is authorized and the Executive Director, the Chief Housing Investment Officer, the Director of Legal Affairs, the Deputy Director of Legal Affairs, the Chief Financial Officer, the Deputy Director of Finance or any person duly authorized to act in any of the foregoing capacities, or any one of them acting alone (each an "Authorized Officer"), are hereby authorized to issue to the Applicant and the Mortgagor the Authority's Mortgage Loan Commitment (the "Commitment") for the construction and permanent financing of the proposed housing project, in an amount not to exceed Thirty One Million Five Hundred Eighty-Six Thousand Three Hundred Thirty-Eight Dollars (\$31,586,338), and to have a term of forty years after amortization of principal commences and to bear interest at a rate of Four and 25/100 percent (4.25%) per annum. The amount of proceeds of tax exempt bonds issued or to be issued and allocated to the financing of this housing project shall not exceed Thirty Four Million Seventeen Thousand Five Hundred Thirty-Nine Dollars (\$34,017,539). Any Authorized Officer is hereby authorized to modify or waive any condition or provision contained in the Commitment.

3. The MRF Loan be and it hereby is authorized and an Authorized Officer is hereby authorized to issue to the Applicant and the Mortgagor a commitment for an MRF Loan (together with the Commitment for the Mortgage Loan, the "Mortgage Loan Commitment") in the estimated amount of Four Million Two Hundred Seventy Two Thousand One Hundred Seventy-Nine Dollars

(\$4,272,179), and to have a term not to exceed fifty (50) years and to bear interest at a rate of three percent (3%) per annum.

4. The mortgage loan commitment resolution and issuance of the Mortgage Loan Commitment are based on the information obtained from the Applicant and the assumption that all factors necessary for the successful construction and operation of the proposed project shall not change in any materially adverse respect prior to the closing. If the information provided by the Applicant is discovered to be materially inaccurate or misleading, or any factors necessary for the successful construction and operation of the proposed project change in any materially adverse respect, this mortgage loan commitment resolution together with the commitment issued pursuant hereto may, at the option of an Authorized Officer, be rescinded.

5. Notwithstanding passage of this resolution or execution of any documents in anticipation of the closing of the proposed mortgage loan, no contractual rights to receive the mortgage loan authorized herein shall arise unless and until an Authorized Officer shall have issued a Mortgage Loan Commitment and the Applicant shall have agreed in writing within fifteen days after receipt thereof, to the terms and conditions contained therein.

6. The proposed housing project be and it hereby is granted a priority with respect to proceeds from the sale of Authority securities which are determined by the Executive Director to be available for financing the construction and permanent loans of the proposed housing project. Availability of funds is subject to the Authority's ability to sell bonds at a rate or rates of interest and at a sufficient length of maturity so as not to render the permanent financing of the development unfeasible.

7. In accordance with Section 93(b) of the Act, the maximum reasonable and proper rate of return on the investment of the Mortgagor in the housing project be and it hereby is determined to be twelve percent (12%) per annum initially. Following the payment in full of the MRF Loan and the HOME Loan, the Mortgagor's rate of return may be increased by one percent (1%) annually until a cap of twenty-five percent (25%) is reached.

8. The Mortgage Loan shall be subject to, and the Commitment shall contain, the conditions set forth in the Mortgage Loan Feasibility/Commitment Staff Report dated October 21, 2021, which conditions are hereby incorporated by reference as if fully set forth herein.

9. The Authority hereby waives Section VI.E.1 of the Multifamily Direct Lending Parameters adopted on June 28, 2017, requiring rents of all units restricted to the Multifamily Tax Subsidy Project ("MTSP") 60% Area Median Income ("AMI") limit be limited to 95% of 30% of the MTSP 60% AMI limit.



# MSHDA

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

## M E M O R A N D U M

**TO:** Authority Members

**FROM:** Gary Heidel, Acting Executive Director *Gy Heidel*

**DATE:** October 21, 2021

**RE:** Hechtman I, MSHDA Development No. 3717

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### **RECOMMENDATION:**

I recommend that the Michigan State Housing Development Authority (the "Authority") adopt resolutions that 1) determine Mortgage Loan Feasibility as to the following proposal, 2) authorize a tax-exempt bond mortgage loan in the amounts set forth in this report, and 3) authorize the Executive Director, or an Authorized Officer of the Authority, to issue the Authority's Mortgage Loan Commitment with respect to this development, subject to the terms and conditions set forth in this report.

### **PROJECT SUMMARY:**

|   |   |
|---|---|
| MSHDA No:                                     | 3717  |
| Development Name:                             | Hechtman I  |
| Development Location:                         | West Bloomfield   |
| Sponsor:                                      | Jewish Senior Life of Metropolitan Detroit, Inc.                        |
| Mortgagor:                                    | Hechtman I JSL Limited Dividend Housing Association Limited Partnership |
| Number of Units (Affordable and Market Rate): | 103 units (102 Section 8 units and 1 manager unit)                      |
| Total Development Cost:                       | \$39,085,204  |
| TE Bond Construction Loan:                    | \$23,880,000  |
| TE Bond Permanent Loan:                       | \$18,880,195  |
| Other Funds:                                  |   |
| Income from Operations:                       | \$997,931   |
| Transferred Reserves:                         | \$604,854   |
| Seller Note:                                  | \$4,627,188   |
| Syndication Proceeds:                         | \$13,975,036  |

## **EXECUTIVE SUMMARY:**

Hechtman I (the “Development”) contains 103 one-bedroom apartments in a three-story building. 102 units are for senior residents and one unit is designated as a non-revenue producing manager’s unit. This Development is fully subsidized by a United States Department of Housing and Urban Development (“HUD”) Section 8 contract that will be renewed for another 20-year term in conjunction with the mortgage loan closing.

The existing building was built in 1982 and needs rehabilitation/updating. Common areas contained within the boundaries of Hechtman I include a dining room, library, social work and management offices. The building is unit 4 in the Applebaum Campus Condominium. The other units of the condominium are other Jewish Senior Life of Metropolitan Detroit, Inc. (the “JSL”) facilities, including market rate senior apartments buildings; Meer and Hechtman II, Fleishman Nursing Care, Brown Memory Care and Adult Daycare, Danto Family Health Care Center and the Jewish Community Center of Metropolitan Detroit.

The existing dining room and commercial kitchen will be expanded to allow all Hechtman I residents to dine together as part of the existing meal program. Ample parking is available, and a bus stop is also located on site. There are numerous walking trails and several ponds on this picturesque site.

I am recommending Board approval for the following reasons:

- The Development’s affordability will be extended for up to 40 years for all units.
- All units will be refurbished to meet the physical needs of the Development.
- Financing the Development results in a new earning asset for the Authority.
- As an existing senior development that will be 100% subsidized, the Development should be low risk to the Authority.

## **ADVANCING THE AUTHORITY’S MISSION:**

- Hechtman I senior housing community is subsidized by a Housing Assistance Payment contract. By preserving this Development in the Authority’s portfolio, our affordable housing stock will increase by 103 units.

## **MUNICIPAL SUPPORT:**

- Community support is evidenced by approval of the site plan and continuation of the property tax exemption for the Development.

## **COMMUNITY ENGAGEMENT/IMPACT:**

- The rehabilitation enabled by the financing of this Development will improve the lives of residents as well as the broader community. A new 20-year HAP contract will be approved upon closing of this transaction. The Affordability period for these units ranges from 20 to 40 years, depending on the funding source.

## **RESIDENT IMPACT:**

- The preservation and renovation of the Development will not result in a rent increase for the existing tenants. There will be no tenant displacement as a result of this transaction.

**ISSUES, POLICY CONSIDERATIONS, AND RELATED ACTIONS:**

The Development is part of a large campus owned by JSL and is identified as Unit 4 (of 8) in the Applebaum Campus Condominium. The Condominium agreement includes shared use agreements between the 8 units.

This Development is exempt from property taxes. The Development was designated property tax-exempt in 1984 under Section 211.7d of the Michigan Compiled Laws.



## **MORTGAGE LOAN FEASIBILITY/COMMITMENT STAFF REPORT**

**October 21, 2021**

### **RECOMMENDATION:**

I recommend that the Michigan State Housing Development Authority (the "Authority" or "MSHDA") adopt resolutions that 1) determine Mortgage Loan Feasibility as to the following proposal, 2) authorize a tax-exempt bond mortgage loan in the amounts set forth in this report, and 3) authorize the Executive Director, or an Authorized Officer of the Authority, to issue the Authority's Mortgage Loan Commitment with respect to this development, subject to the terms and conditions set forth in this report.

|   |   |
|---|---|
| <b><u>MSHDA No.:</u></b>                      | 3717  |
| <b><u>Development Name:</u></b>               | Hechtman I  |
| <b><u>Development Location:</u></b>           | West Bloomfield Township, Oakland County                                    |
| <b><u>Sponsor:</u></b>                        | Jewish Senior Life of Metropolitan Detroit, Inc.                            |
| <b><u>Mortgagor:</u></b>                      | Hechtman I JSL Limited Dividend Housing Association Limited Partnership     |
| <b><u>TE Bond Permanent Loan:</u></b>         | \$18,880,195  |
| <b><u>TE Construction Loan:</u></b>           | \$23,880,000 (61.10% TDC)   |
| <b><u>Total Development Cost:</u></b>         | \$39,085,204  |
| <b><u>Mortgage Amortization and Term:</u></b> | 40 years for the tax-exempt bond loan                                       |
| <b><u>Interest Rate:</u></b>                  | 3.95% for the tax-exempt bond loan  |
| <b><u>Program:</u></b>                        | Tax-Exempt Bond   |
| <b><u>Number of Units:</u></b>                | 103 elderly units of rehabilitation   |
| <b><u>Unit Configuration:</u></b>             | 103 one-bedroom units including a manager's unit, in a three-story building |
| <b><u>Builder:</u></b>                        | G. Fisher Construction Company  |
| <b><u>Syndicator:</u></b>                     | Cinnaire  |
| <b><u>Date Application Received:</u></b>      | December 2020   |
| <b><u>HDO:</u></b>                            | Charles Smith   |

Issuance of the Authority's Mortgage Loan Commitment is subject to fulfillment of all Authority processing and review requirements and obtaining all necessary staff approvals as required by the Authority's underwriting standards.

### **ISSUES, POLICY CONSIDERATIONS AND RELATED ACTIONS:**

Hechtman I (the "Development") is part of a large campus owned by Jewish Senior Life of Metropolitan Detroit, Inc. (the "Sponsor" or "JSL") and is identified as Unit 4 (of 8) in the Applebaum Campus Condominium. The Condominium agreement includes shared use agreements between the 8 units.

**Mortgage Feasibility/Commitment Staff Report**  
**Hechtman I, MSHDA No. 3717**  
**West Bloomfield Township, Oakland County**  
**October 21, 2021**

This Development is exempt from property taxes. The Development was designated property tax-exempt in 1984 under Section 211.7d of the Michigan Compiled Laws.

**EXECUTIVE SUMMARY:**

This Development contains 103 one-bedroom apartments in a three-story building. 102 units are for senior residents and one unit is designated as a non-revenue producing manager's unit. This Development is fully subsidized by a United States Department of Housing and Urban Development ("HUD") Section 8 contract that will be renewed for another 20-year term in conjunction with the mortgage loan closing.

The existing building was built in 1982 and needs rehabilitation/updating. Common areas contained within the boundaries of Hechtman I include a dining room, library, social work and management offices. The building is unit 4 in the Applebaum Campus Condominium. The other units of the condominium are other JSL facilities, including market rate senior apartments buildings; Meer and Hechtman II, Fleishman Nursing Care, Brown Memory Care and Adult Daycare, Danto Family Health Care Center and the Jewish Community Center of Metropolitan Detroit.

The existing dining room and commercial kitchen will be expanded to allow all Hechtman I residents to dine together as part of the existing meal program. Ample parking is available and a bus stop is also located on site. There are numerous walking trails and several ponds on this picturesque site.

**Structure of the Transaction and Funding:**

There are several elements to this transaction that are common to preservation transactions:

- A tax-exempt bond construction loan and a permanent mortgage loan will be provided by the Authority (the "Mortgage Loan"). The construction loan will be in the amount of \$23,880,000 at 3.95% interest with a 12-month term which will be used to bridge an extended equity pay-in period. Interest only payments will be required under the construction loan. The amount by which the construction loan exceeds the permanent loan will be due on the first day of the month following the month in which the 12-month construction loan term expires or such later date determined by an Authorized Officer of the Authority (the "Permanent Financing Date").
- A permanent loan will be provided by the Authority in the amount of \$18,880,195. The permanent loan is based upon the current rents, less vacancy loss, payments to reserves and escrows, operating costs based on historical data unless modified by project improvements and construction and soft costs at levels appropriate for this specific transaction. The permanent loan includes a 1.6 debt service coverage ratio, an annual interest rate of 3.95%, with a fully amortizing term of 40 years commencing on the Permanent Financing Date. The Mortgage Loan will be funded on the Permanent Financing Date and will be in **First Position**.
- Equity support comes from an investment related to the 4% LIHTC in the estimate amount of \$13,975,036.
- A Seller note will be provided as a funding source in the amount of \$4,627,188. See Special Condition 3.



**Mortgage Feasibility/Commitment Staff Report**  
**Hechtman I, MSHDA No. 3717**  
**West Bloomfield Township, Oakland County**  
**October 21, 2021**

- The Housing Assistance Payment (“HAP”) contract will, subject to HUD approval, be transferred to the Mortgagor and will continue to provide deep subsidy assistance for all of the assisted units.
- Income from operations and tax and insurance payments during the construction period in the amount of \$997,931.
- An amount equal to one month’s gross rent potential will be funded in the Development’s operating account.
- An operating assurance reserve will be required in the amount identified in the attached proforma. The reserve will be capitalized at closing in an amount which, along with accumulated interest, is expected to meet the Development’s unanticipated operating needs. This reserve will be held by the Authority.
- A syndicator reserve in the amount of \$241,177 is required by the equity investor for additional operational needs. This reserve will be held and controlled pursuant to the terms of the Mortgagor’s Amended and Restated Limited Partnership Agreement. See Special Condition No. 2.
- The Development will be renovated and a new replacement reserve requirement imposed, based upon a capital needs assessment (“CNA”), to ensure an extension of the useful life of the property and to maintain an excellent quality of life for the residents. At the closing, the Mortgagor must deposit the amount determined necessary to satisfy the requirements of the Authority-approved CNA over a 20-year period. This reserve will be held by the Authority.
- Existing Replacement Reserve escrow funds in the amount identified in the attached proforma will be used as a source of funding.
- Tax and insurance escrow proceeds in the amount identified in the attached proforma will be transferred from the existing project to the new project to fund a new tax and insurance escrow account.

**Scope of Rehabilitation:**

The following improvements to the property are included in the Scope of Work:

- Asphalt repair and replacement
- Cement repair and replacement (walkways, curbs, loading dock)
- Replace and upgrade exterior lighting to LED
- Replace all baseboard electric heaters
- Replace air handling units and add AC throughout the project
- Replace generator and upgrade to natural gas
- Add 2,000 square feet to existing dining room and 500 square feet to serving line
- Replace main entrance doors and install key fob system
- Replace all unit entry doors and hardware
- Replace existing sliding glass doors
- Repair or replace balcony decks/railings/framing

**Mortgage Feasibility/Commitment Staff Report**  
**Hechtman I, MSHDA No. 3717**  
**West Bloomfield Township, Oakland County**  
**October 21, 2021**

- Replace shingles and repair sheathing where needed
- Replace gutters, down spouts, and splash blocks
- Replace common area ceiling tiles
- Replace common area lighting with LED fixtures
- Replace common area carpeting with non-slip vinyl (heavy traffic areas)
- Replace mailboxes and install package locker system per USPS requirements
- Replace all interior doors
- Add ceiling lights to living rooms
- Replace unit flooring (tile and carpet)
- New kitchen countertops
- New kitchen cabinets
- New kitchen sink and fixtures
- New side by side refrigerators
- Replace grease shields and exhaust fans
- New ranges in some units (41)
- Replace bathtubs with walk in showers
- New vanities, sinks and countertops
- Replace most furnaces (78) and upgrade thermostats
- Replace all smoke detectors with combination smoke and CO detectors

**Affordability Requirements:**

The Authority's tax-exempt bond regulatory agreement will require that all of the dwelling units in the property remain occupied by households with incomes at or below 60% of the Multifamily Tax Subsidy Project ("MTSP") income limit, adjusted for family size. The number of restricted units is controlled by the number of eligible households in place at closing, estimated to be 100% of the units. 102 units will be further restricted to the income limits required by the HAP Contract.

**Protections for Existing Residents:**

The preservation and renovation of the Development will not result in a rent increase for the existing tenants. There will be no tenant displacement as a result of this transaction.

**Site Selection:**

The site has been vetted by Authority Staff and the Authority's Manager of the Office of Market Research has indicated that the site meets the Authority's current site selection criteria.

**Market Evaluation:**

The unit mix as well as the amenities package and rent levels have been approved by the Authority's Manager of the Office of Market Research, Rental Development Division.

**Valuation of the Property:**

An appraisal dated March 2, 2021, estimates the value at \$20,750,000.

**CONDITIONS:**

At or prior to (i) issuance of the Authority's mortgage loan commitment ("Mortgage Loan

Commitment”), (ii) the initial Mortgage Loan Closing (the “Initial Closing”), or (iii) such other date as may be specified herein, the new Mortgagor, and other members of the Development team, where appropriate, must satisfy each of the following conditions by entering into a written agreement or providing documentation acceptable to the Authority:

**Standard Conditions:**

**1. Limitation for Return on Equity:**

For each year of the Development's operation, beginning in the year in which the Mortgage Cut-Off Date occurs, as determined by the Authority, payments are limited to six percent (6%) of the Mortgagor's equity, or any other amount approved by HUD, but not to exceed twelve percent (12%). Following expiration of the HAP Contract, the Mortgagor's rate of return shall not exceed twenty-five percent (25%) per annum. For purposes of distributions, the Mortgagor's equity will be the sum of (i) the LIHTC equity; (ii) the brownfield tax credit equity; (iii) the historic tax credit equity; (iv) general partner capital contributions; and (v) any interest earned on an equity escrow held by the Authority, unless HUD or other federal regulations require a different calculation. All such payments shall be referred to as "Limited Dividend Payments." The Mortgagor's return shall be fully cumulative.

**2. Income Limits:**

The income limitations for 103 units of this proposal are as follows:

- a. 102 units (102 one-bedroom units) must be occupied or available for occupancy by households whose incomes do not exceed the income limits in the HAP Contract for so long as the HAP Contract between the Mortgagor and the Authority is in effect (including extensions and renewals), or for such longer period as determined by HUD.
- b. 102 units (102 one-bedroom units) must be available for occupancy by households whose incomes do not exceed the MTSP 60% income limits, adjusted for family size, until latest of (i) the expiration of the LIHTC “Extended Use Period” as defined in the Development’s LIHTC Regulatory Agreement; (ii) 50 years from Initial Closing; or (iii) so long as any Authority loan remains outstanding
- c. 1 unit (one-bedroom unit) will be used as a manager’s unit. If this unit is later converted to rental use, it must be available for occupancy by households whose incomes do not exceed the MTSP 60% income limits, adjusted for family size as determined by HUD.

To the extent units within the Development are subject to multiple sets of income limits, the most restrictive income limit will apply so long as the applicable term of affordability continues.

The income of individuals and area median income shall be determined by the Secretary of the Treasury in a manner consistent with determinations of lower income families and area median income under Section 8 of the U.S. Housing Act of 1937, including adjustments for family size.

**3. Limitations on Rental Rates:**

**Mortgage Feasibility/Commitment Staff Report**  
**Hechtman I, MSHDA No. 3717**  
**West Bloomfield Township, Oakland County**  
**October 21, 2021**

The Total Housing Expense (contract rent plus tenant-paid utilities) for 103 units is subject to the following limitations:

- a. So long as the HAP Contract remains in effect, the Mortgagor agrees to establish and maintain rents for all HAP-assisted units (102 one-bedroom units) ("Contract Rents") that comply with the rent levels established by the HAP Contract and that do not exceed the rent levels approved by HUD.
- b. The Total Housing Expense for all 102 units (102 one-bedroom units), may not exceed one-twelfth (1/12<sup>th</sup>) of 30% of 60% of the MTSP limit, adjusted for family size and based upon an imputed occupancy of one and one-half persons per bedroom. This restriction will apply until the latest of (i) the end of the Extended Use Period, (ii) 50 years after Initial Closing; or (iii) so long as any Authority loan remains outstanding.
- c. 1 unit (1-bedroom unit) will be used as a manager's unit. If this unit is later converted to rental use, the Total Housing Expense will be limited to one-twelfth (1/12<sup>th</sup>) of 30% of 60% of the MTSP income limit, adjusted for family size and based upon an imputed occupancy of one and one-half persons per bedroom.

To the extent units within the Development are subject to multiple sets of rent limits, the most restrictive rent limit will apply so long as the applicable term of affordability continues.

For the initial lease term of the first household occupying each rent restricted unit in the Development the initial rent may not exceed 105% of the rent approved in this Mortgage Loan Feasibility/Commitment Staff Report. Rental increases on occupied units during any 12-month period will be limited to not more than 5% of the rent paid by the resident household at the beginning of that annual period. Exceptions to this limitation may be granted by MSHDA's Director of Asset Management for extraordinary increases in project operating expenses (exclusive of limited dividend payments) or mortgage loan increases to fund cost overruns pursuant to the Authority's policy on Mortgage Loan increases. Rents on vacated units may be increased to the maximum level permissible by the applicable programs. Rents and utility allowances must be approved annually by the Authority's Division of Asset Management.

Exceptions to the foregoing limitations may be granted by the Authority's Director of Asset Management to pay for extraordinary increases in operating expenses (exclusive of Limited Dividend Payments) or to enable the owner to amortize a Mortgage Loan increase to fund cost overruns pursuant to the Authority's policy on Mortgage Loan increases.

**4. Restriction on Prepayment and Subsequent Use:**

The Mortgage Loan is eligible for prepayment after the expiration of fifteen (15) years after the commencement of amortization. The Mortgagor must provide the Authority with at least 60 days' written notice prior to any such prepayment.

In the event of a prepayment, however, the Mortgagor must pay a prepayment fee equal to the sum of:

- a. 1% of the balance being prepaid;

**Mortgage Feasibility/Commitment Staff Report**  
**Hechtman I, MSHDA No. 3717**  
**West Bloomfield Township, Oakland County**  
**October 21, 2021**

- b. Any bond call premium, prepayment or swap penalty, or any other cost that the Authority incurs to prepay the bonds or notes that were used to fund the Mortgage Loan; and
- c. Any loss of debt service spread between the Mortgage Loan and the bonds used to finance the loan from the date of the prepayment through the end of the 20<sup>th</sup> year of amortization.

Once the Mortgagor has been approved for the early prepayment of the underlying loan, it must sign an agreement with the Authority stating it is responsible for the cost of terminating the swap. The Mortgagor can then choose the timing of the termination and participate in the transaction with the swap counterparty. The swap counterparty will quote the cost of terminating the swap and the Mortgagor will have the ability to execute the transaction or cancel at its sole discretion. If the Mortgagor chooses not to terminate the swap, it will forfeit the right to prepay the Mortgage Loan.

**5. Covenant Running with the Land:**

The Mortgagor must subject the Development site to a covenant running with the land so as to preserve the tax-exempt status of the obligations issued or to be issued to finance the Mortgage Loan. This covenant will provide that each unit must be rented or available for rental on a continuous basis to members of the general public for a period ending on the latest of the date which is 15 years after the date on which 50% of the residential units in the Development are occupied, the first day on which no bonds are outstanding with respect to the project, or the date on which assistance provided to the project under Section 8 of the U.S. Housing Act of 1937 terminates. The income of individuals and area median income shall be determined by the Secretary of the Treasury in a manner consistent with determinations of lower income families and area median income under Section 8 of the U.S. Housing Act of 1937, including adjustments for family size. Until the Secretary of the Treasury publishes its requirements, income of the individuals shall be determined in accordance with Section 8 regulations. Additionally, if LIHTC is awarded to the Development, the Mortgagor must agree to subject the property to the extended low-income use commitment required by Section 42 of the Internal Revenue Code.

**6. Operating Assurance Reserve:**

At Initial Closing, the Mortgagor shall fund an operating assurance reserve ("OAR") in the amount equal to 4-months of estimated Development operating expenses (estimated to be \$681,087). The OAR will be used to fund operating shortfalls incurred at the Development and will be disbursed by the Authority in accordance with the Authority's written policy on the use of the Operating Assurance Reserve, as amended from time to time. The OAR must be either (i) fully funded with cash, or (ii) funded with a combination of cash and an irrevocable, unconditional letter of credit acceptable to the Authority, in an amount that may not exceed 50% of the OAR requirement. To the extent that any portion of the OAR is drawn for use prior to the final closing of the Mortgage Loan, the Mortgagor must restore the OAR to its original balance at final closing.

**7. Replacement Reserve:**

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At Initial Closing, the Mortgagor must establish a replacement reserve fund ("Replacement Reserve") with an initial deposit in an amount of \$2,055 per unit. The Mortgagor must agree to make annual deposits to the Replacement Reserve, beginning on the Mortgage Cut-Off Date, at a minimum of \$300 per unit for the first year of operation, payable in monthly installments, with deposits in subsequent years to be the greater of (i) the prior year's deposit, increased by 3%, or (ii) a percentage of the Development's projected annual rental income or gross rent potential ("GRP") for the year using the percentage obtained by dividing the first year's deposit by the first year's GRP shown on the operating proforma for the Development attached hereto. The annual deposit to the Replacement Reserve may also be increased to any higher amount that is determined to be necessary by the Authority, based on a CNA and the Authority's Replacement Reserve policies. The Authority may update any CNA or obtain a new CNA every five years, or upon any frequency, as determined necessary by the Authority.

**8. One Month's Gross Rent Potential:**

At Initial Closing, the Mortgagor shall deposit an amount equal to one month's gross rent potential (\$222,360) into the Development's operating account.

**9. Architectural Plans and Specifications; Contractor's Qualification Statement:**

Prior to Mortgage Loan Commitment, the architect must submit architectural drawings and specifications that address all design review comments, acceptable to the Authority's Chief Architect and the Director of Development.

Prior to Mortgage Loan Commitment, the general contractor must submit AIA Document A305 as required by the Authority's Chief Architect.

**10. Owner/Architect Agreement:**

Prior to Mortgage Loan Commitment, the Mortgagor must provide the Authority with an executed Owner Architect Agreement acceptable in form and substance to the Director of Legal Affairs.

**11. Trade Payment Breakdown:**

Prior to Mortgage Loan Commitment, the general contractor must submit a signed Trade Payment Breakdown acceptable to the Authority's Design and Construction Manager.

**12. Cost Certification:**

The contractor's cost certification must be submitted within 90 days following the completion of construction, and the Mortgagor's cost certification must be submitted within 90 days following the Mortgage Cut-off Date. For LIHTC, the owner is obligated to submit cost certifications applicable to itself and the contractor prior to issuance of IRS form 8609 (see LIHTC Program Cost Certification Guidelines).

**13. Environmental Review and Indemnification:**

Prior to Mortgage Loan Commitment, the Mortgagor must address any outstanding environmental issues, in form and substance acceptable to the Authority's Environmental

Review Officer.

At Initial Closing, the Mortgagor must enter an agreement to indemnify the Authority for any loss, damage, liability, claim, or expense which it incurs as a result of any violation of environmental laws. The indemnification agreement must be acceptable to the Director of Legal Affairs.

**14. Title Insurance Commitment and Survey:**

Prior to Mortgage Loan Commitment, the Mortgagor must provide an updated title insurance commitment, including zoning, pending disbursement, comprehensive, survey and such other endorsements as deemed necessary by the Authority's Director of Legal Affairs. The updated title commitment must contain only exceptions to the insurance acceptable to the Authority's Director of Legal Affairs.

Additionally, prior to Mortgage Loan Commitment, the Mortgagor must provide a surveyor's certificate of facts together with an ALTA survey certified to the 2021 minimum standards, and that appropriately reflects all easements, rights of way, and other issues noted on the title insurance commitment. All documents must be acceptable to the Director of Legal Affairs.

**15. Organizational Documents/Equity Pay-In Schedule:**

Prior to Mortgage Loan Commitment, the Mortgagor must submit a substantially final form syndication partnership agreement, including an equity pay-in schedule, that is acceptable in form and substance to the Director of Development and Director of Legal Affairs.

At or prior to Initial Closing, the final, executed syndication partnership agreement must become effective and the initial installment of equity must be paid in an amount approved by the Director of Development.

**16. Management & Marketing:**

Prior to Mortgage Loan Commitment, the management and marketing agent must submit the following documents, which must be found acceptable to the Director of Asset Management:

- a. Management Agreement
- b. Marketing/Construction Transition Plan

**17. Guaranties:**

At Initial Closing, the Sponsor, General Partner, and any entity receiving a developer fee in connection with the Development must deliver certain guaranties. The required guaranties include a guaranty of an operating deficit guaranty and a performance completion guaranty. The required guaranties, the terms thereof and the parties who shall be required to deliver the guaranty must be determined and approved by the Authority's Director of Development.

**18. Financial Statements:**

Prior to Mortgage Loan Commitment, financial statements for the Sponsor, the guarantor(s)

and the general contractor must be reviewed and found acceptable by the Authority's Chief Financial Officer.

If prior to Initial Closing the financial statements that were approved by the Authority become more than six months old, the Sponsor, the guarantor(s) and/or the general contractor must provide the Authority with updated financial statements meeting Authority requirements upon request.

**29. Ownership of Development Reserves:**

At the Initial Closing, the Mortgagor must enter into an agreement confirming the Authority's ultimate ownership of excess cash reserves, escrows and accounts as may exist at the time the Authority's mortgage loans are paid off or the Development is sold or refinanced. However, the Authority's claim to these funds shall be subject to any lawful claim to such funds by HUD. This agreement must be acceptable to the Authority's Director of Legal Affairs.

**19. Section 8 Required Approvals - HUD and MSHDA**

This transaction is subject to certain HUD approvals including, but not limited to 1) assignment of the HAP Contract and 2) previous participation approval (HUD Form 2530) for the Mortgagor, its partners, and property management agent. Prior to the Initial Closing, the HUD approvals must be obtained and must be consistent with the loan structure and intent of the transaction as described in this report. The approvals by HUD are subject to review and concurrence by the Authority's Director of Legal Affairs. The Mortgagor must enter into all agreements as may be required by HUD and to abide by all terms, conditions, and requirements of the Section 8 Program and all other Authority rules, guidelines, and procedures as required under the Regulatory Agreement.

**20. HAP Extension:**

At Initial Closing, the Mortgagor must enter into an agreement to apply for and accept any HAP or other HUD subsidy extensions available in the future, subject to Authority approval.

**21. Application for Disbursement:**

Prior to Initial Closing, the Mortgagor must submit an "Application for Disbursement" along with supporting documentation, which must be found acceptable to the Authority's Director of Development.

**Special Conditions:**

**1. Legal Requirements:**

The Mortgagor and/or Sponsor must submit documentation acceptable to the Authority's Director of Legal Affairs for the items listed below:

- Prior to Initial Closing, the Michigan Attorney General's Office must complete its review of the transaction and provide the Director of Legal Affairs its recommendation.
- Any other documentation as required by the Director of Legal Affairs, including



**Mortgage Feasibility/Commitment Staff Report**  
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acceptable evidence of insurance, permits, licenses, zoning approvals, utility availability, payment and performance bonds and other closing requirements.

**2. Syndicator Reserve:**

The Mortgagor shall fund a syndicator held reserve ("Syndicator Reserve") with a one-time deposit in the amount of \$241,177 paid from equity proceeds according to the terms of the Mortgagor's limited partnership agreement. The Syndicator Reserve shall be controlled by the syndicator. The purpose of this reserve will be to fund additional operating shortfalls.

**3. Seller Note**

Prior to Mortgage Loan Commitment, the Mortgagor must submit substantially final documents evidencing the Sponsor loan acceptable to the Authority's Director of Legal Affairs and Director of Development. The Sponsor loan must:

- a) not be secured by a lien on the Development or any of the Development's property, funds or assets of any kind;
- b) be payable solely from approved Limited Dividend payments, and not from other development funds;
- c) be expressly subordinate to all Authority mortgage loans; and
- d) have a loan term exceeding the term of all Authority mortgage loans.

At or prior to Initial Closing, the final, executed Sponsor loan documents must become effective and initial funding of the loan must be made in an amount approved by the Director of Development.

**DEVELOPMENT TEAM AND SITE INFORMATION**

I. **MORTGAGOR:** Hechtman I JSL Limited Dividend Housing Association Limited Partnership

II. **GUARANTOR(S):**

A. **Guarantor #1:**

**Name:** Jewish Senior Life of Metropolitan Detroit, Inc  
**Address:** 15000 West Ten Mile Road  
Oak Park, MI 48237

III. **DEVELOPMENT TEAM ANALYSIS:**

A. **Sponsor:**

**Name:** Hechtman I JSL Limited Dividend Housing Association, LLC  
**Address:** 15000 West Ten Mile Road  
Oak Park, MI 48237

**Individuals Assigned:** Nancy Heinrich  
**Telephone:** 248-661-2999  
**Fax:** None provided

**Mortgage Feasibility/Commitment Staff Report**  
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**West Bloomfield Township, Oakland County**  
**October 21, 2021**

**E-mail:** NHeinrich@jslmi.org

1. **Experience:** The Sponsor does not have experience working on Authority-financed developments. Vicki Vaughn of Chesapeake Community Advisors is the acting consultant who does have the required experience.
2. **Interest in the Mortgagor and Members:** 99% Limited, 1% General

**B. Architect:**

**Name:** Fusco, Shaffer & Pappas, Inc.  
**Address:** 550 East Nine Mile Road  
Ferndale, MI 48220

**Individual Assigned:** James Pappas, AIA  
**Telephone:** 248-543-4100  
**Fax:** Not Provided  
**E-Mail:** jpappas@fsparchitects.com

1. **Experience:** Architect has previous experience with Authority-financed developments.
2. **Architect's License:** License number 1301029064, exp. 4/1/2023.

**C. Attorney:**

**Name:** Warner Norcross + Judd LLP  
**Address:** 120 North Washington Square  
Suite 410  
Lansing, MI 48933

**Individual Assigned:** Tracy Lackman  
**Telephone:** 517-679-7400  
**Fax:** Not Provided  
**E-Mail:** tlackman@wnj.com

1. **Experience:** This firm has experience in closing Authority-financed developments.

**D. Builder:**

**Name:** G. Fisher Construction Company  
**Address:** 31313 Northwestern Highway, Suite 206  
Farmington Hills, MI 48994

**Individual Assigned:** Glen Fisher  
**Telephone:** 248-855-3500  
**Fax:** Not Provided  
**E-mail:** Glen@gfisherconst.com

1. **Experience:** The firm has previous experience in constructing Authority-

financed developments.

2. **State Licensing Board Registration:** License number 2102076330, with an expiration date of 5/31/2024.

**E. Management and Marketing Agent:**

**Name:** Jewish Apartments & Services, Inc.  
**Address:** 15000 West Ten Mile Road  
Oak Park, MI 48237

**Individual Assigned:** Nancy Heinrich  
**Telephone:** 248-661-2999  
**Fax:** Not Provided  
**E-mail:** NHeinrich@jslmi.org

1. **Experience:** This firm does not have significant experience managing Authority-financed developments but have applied to become MSHDA certified to manage.

**F. Development Team Recommendation:** Go

**IV. SITE DATA:**

**A. Land Control/Purchase Price:** \$20,750,000

**B. Site Location:**  
6700 West Maple Road, West Bloomfield

**C. Size of Site:**  
Approximately 5 Acres

**D. Density:**  
Current use is multifamily, density deemed acceptable

**E. Physical Description:**

1. **Present Use:** Rental Housing
2. **Existing Structures:** One three-story building
3. **Relocation Requirements:** None

**F. Zoning:**  
Multifamily

**G. Contiguous Land Use:**

1. **North:** Wooded area/walking trails
2. **South:** Henry Ford West Bloomfield Hospital, various commercial

- 3. East: Single Family
- 4. West: Wooded area/ walking trails

**H.** Tax Information:  
Exempt from property tax

**I.** Utilities: DTE energy for electricity and fuel, West Bloomfield Water and Sewer

**J.** Community Facilities:

- 1. Shopping:  
Twelve Oaks Mall is 17 minutes away by car and there are nearby shopping venues, restaurants, banks, pharmacies, etc.
- 2. Recreation:  
Numerous walking trails and public park nearby.
- 3. Public Transportation:  
Bus stop in front of building.
- 4. Road Systems  
The campus is located north of West Maple Road and West of Drake Road, West Bloomfield.
- 5. Medical Services and other Nearby Amenities:  
Henry Ford West Bloomfield is across the street, the campus also includes a memory center and a health care center.
- 6. Description of Surrounding Neighborhood:  
Residential and commercial.
- 7. Local Community Expenditures Apparent:  
None.
- 8. Indication of Local Support:  
The Development is exempt from property taxes.

**VI. DESIGN AND COSTING STATUS:**

Architectural plans and specifications consistent with the scope of work have been reviewed by the Chief Architect. A response to all design review comments and the submission of corrected and final plans and specifications must be made prior to initial closing.

This proposal will satisfy the State of Michigan barrier-free requirements, the Authority's policy regarding accessibility and non-discrimination for the disabled, the Fair Housing Amendments Act of 1988, and the HOME requirements for barrier-free vision and hearing designed units. Construction documents must be acceptable to the Authority's Chief Architect.

**VII. MARKET SUMMARY:**

The Market study has been reviewed by the Authority's Chief Market Analyst and found to be acceptable. The Authority's Chief Market Analyst has reviewed and approved the unit mix, rental structure, and unit amenities.

**VIII. EQUAL OPPORTUNITY AND FAIR HOUSING:**

The contractor's Equal Employment Opportunity Plan is currently being reviewed and must be approved by the Authority's Design and Construction Manager prior to initial closing. The management and marketing agent's Affirmative Fair Housing Marketing Plan has been approved.

**IX. MANAGEMENT AND MARKETING:**

The management/marketing agent has submitted application level management and marketing information, to be approved prior to initial closing by the Authority's Director of Asset Management.

**X. FINANCIAL STATEMENTS:**

The sponsor's/guarantor's and the builder's financial statements have been submitted and are to be approved prior to initial closing by the Authority's Director of Rental Development.

**XI. DEVELOPMENT SCHEDULING:**

|   |              |
|---|--------------|
| <b>A. Mortgage Loan Commitment:</b>         | October 2021 |
| <b>B. Initial Closing and Disbursement:</b> | January 2021 |
| <b>C. Construction Completion:</b>          | January 2023 |
| <b>D. Cut-Off Date:</b>                     | March 2023   |

**XII. ATTACHMENTS:**

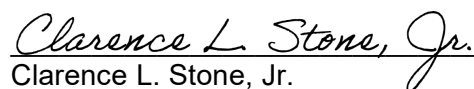
- A. Development Proforma**

**APPROVALS:**



Chad Benson  
Director of Development

\_\_\_\_\_  
Date



Clarence L. Stone, Jr.  
Director of Legal Affairs

\_\_\_\_\_  
Date



Gary Heidel  
Acting Executive Director

\_\_\_\_\_  
Date

Development Hechtman I  
 Financing Tax Exempt  
 MSHDA No. 3717  
 Step Commitment  
 Date 10/21/2021  
 Type Preservation - Subsidized

**Mortgage Assumptions:**

Debt Coverage Ratio 1.6  
 Mortgage Interest Rate 3.950%  
 Pay Rate 3.950%  
 Mortgage Term 40 years  
 Income from Operations Yes

**Instructions**

**Total Development Income Potential**

|                          | Per Unit | Total     |
|--------------------------|----------|-----------|
| Annual Rental Income     | 25,906   | 2,668,320 |
| Annual Non-Rental Income | 33       | 3,362     |
| Total Project Revenue    | 25,939   | 2,671,682 |

**Total Development Expenses**

|                                  |                                |       |         |
|----------------------------------|--------------------------------|-------|---------|
| Vacancy Loss                     | 5.00% of annual rent potential | 1,295 | 133,416 |
| Management Fee                   | 534 per unit per year          | 534   | 55,002  |
| Administration                   |                                | 4,290 | 441,819 |
| Project-paid Fuel                |                                | 140   | 14,438  |
| Common Electricity               |                                | 361   | 37,153  |
| Water and Sewer                  |                                | 340   | 35,021  |
| Operating and Maintenance        |                                | 2,889 | 297,581 |
| Real Estate Taxes                |                                | 0     |         |
| Payment in Lieu of Taxes (PILOT) | Applied to: All Units          | 0     | 0       |
| Insurance                        |                                | 564   | 58,073  |
| Replacement Reserve              | 300 per unit per year          | 300   | 30,900  |
| Other:                           |                                | 0     |         |
| Other:                           |                                | 0     |         |

% of  
Revenue

|                                       |        |                |                   |
|---------------------------------------|--------|----------------|-------------------|
| <b>Total Expenses</b>                 | 41.30% | <b>10,713</b>  | <b>1,103,403</b>  |
| Base Net Operating Income             |        | 15,226         | 1,568,279         |
| Part A Mortgage Payment               | 35.18% | 9,125          | 939,858           |
| <b>Part A Mortgage</b>                |        | <b>183,303</b> | <b>18,880,195</b> |
| Non MSHDA Financing Mortgage Payment  |        | 0              |                   |
| <b>Non MSHDA Financing Type:</b>      |        | <b>0</b>       |                   |
| Base Project Cash Flow (excludes ODR) | 23.52% | 6,101          | 628,421           |

| Initial<br>Inflation<br>Factor | Beginning<br>in Year | Future<br>Inflation<br>Factor |
|--------------------------------|----------------------|-------------------------------|
| 1.0%                           | 6                    | 2.0%                          |
| 1.0%                           | 6                    | 2.0%                          |
| Future Vacancy                 |                      |                               |
|                                | 6                    | 3.0%                          |
| 3.0%                           | 1                    | 3.0%                          |
| 3.0%                           | 1                    | 3.0%                          |
| 3.0%                           | 6                    | 3.0%                          |
| 4.0%                           | 6                    | 3.0%                          |
| 5.0%                           | 6                    | 5.0%                          |
| 3.0%                           | 1                    | 3.0%                          |
| 5.0%                           | 1                    | 5.0%                          |
| 3.0%                           | 1                    | 3.0%                          |
| 3.0%                           | 1                    | 3.0%                          |
| 3.0%                           | 1                    | 3.0%                          |

Override  
939,858

**Development** Hechtman I  
**Financing** Tax Exempt  
**MSHDA No.** 3717  
**Step** Commitment  
**Date** #####  
**Type** Preservation - Subsidized

**Instructions**

| Income Limits for  | Oakland County |          |          |          |          |          |
|--------------------|----------------|----------|----------|----------|----------|----------|
|                    | 1 Person       | 2 Person | 3 Person | 4 Person | 5 Person | 6 Person |
| 30% of area median | 16,500         | 18,840   | 21,210   | 23,550   | 25,440   | 27,330   |
| 40% of area median | 22,000         | 25,120   | 28,280   | 31,400   | 33,920   | 36,440   |
| 50% of area median | 27,500         | 31,400   | 35,350   | 39,250   | 42,400   | 45,550   |
| 60% of area median | 33,000         | 37,680   | 42,420   | 47,100   | 50,880   | 54,660   |

**Rental Income**

| <u>Unit</u>         | <u>No. of Units</u>  | <u>Unit Type</u> | <u>Bedrooms</u> | <u>Baths</u> | <u>Net Sq. Ft.</u> | <u>Contract Rent</u> | <u>Utilities</u> | <u>Total Housing Expense</u> | <u>Gross Rent</u> | <u>Current Section 8 Contract Rent</u> | <u>% of Gross Rent</u> | <u>% of Total Units</u> | <u>Gross Square Feet</u>     | <u>% of Total Square Feet</u> | <u>TC Units Square Feet</u> | <u>Unit Type</u> | <u>Max Allowed Housing Expense</u> |
|---------------------|--|------------------|-----------------|--------------|--------------------|----------------------|------------------|------------------------------|-------------------|--|------------------------|-------------------------|------------------------------|-------------------------------|-----------------------------|------------------|------------------------------------|
| 60%                 | <u>Area Median Income Units</u>                                    |                  |                 |              |                    |                      |                  |                              |                   |  |                        |                         |                              |                               |                             |                  |                                    |
| 30%                 | <u>Tenant AMI Restriction (if different from rent restriction)</u> |                  |                 |              |                    |                      |                  |                              |                   |  |                        |                         |                              |                               |                             |                  |                                    |
| Senior              | <u>Occupancy</u>   |                  |                 |              |                    |                      |                  |                              |                   |  |                        |                         |                              |                               |                             |                  |                                    |
| A                   | 102  | Apartment        | 1               | 1.0          | 540                | 2,180                | 62               | 2,242                        | 2,668,320         | 1,143                                  | 100.0%                 | 100.0%                  | 55,080                       | 100.0%                        | 55,080                      |                  | 883                                |
|                     |  |                  |                 |              |                    |                      |                  |                              | 2,668,320         | 1,143                                  | 100.0%                 | 100.0%                  | 55,080                       | 100.0%                        | 55,080                      |                  |                                    |
| Mgrs                | 1  | Apartment        | 1               | 1.0          |                    |                      |                  |                              | 0                 | 1,143                                  | 0.0%                   | 0.0%                    | 0                            | 0.0%                          | 0                           |                  |                                    |
|                     |  |                  |                 |              |                    |                      |                  |                              |                   |  |                        |                         | 55,080                       |                               | 55,080                      |                  |                                    |
| Total Revenue Units | 102  |                  |                 |              |                    |                      |                  | Gross Rent Potential         | 2,668,320         |  |                        |                         | HOME Units SF/Total Units SF | 0.0%                          |                             | Within Range     |                                    |
| Manager Units       | 1  |                  |                 |              |                    |                      |                  | Average Monthly Rent         | 2,180             |  |                        |                         | # HOME Units/# Total Units   | 0.0%                          |                             | Within Range     |                                    |
| Income Average      | 60.00%   |                  |                 |              |                    |                      |                  | Gross Square Footage         | 55,080            |  |                        |                         |                              |                               |                             |                  |                                    |
| Set Aside           | 100.00%  |                  |                 |              |                    |                      |                  |                              |                   |  |                        |                         |                              |                               |                             |                  |                                    |

**Utility Allowances**

|   |                    | Tenant-Paid        |            |            |                     | Owner-Paid   |  |  |    | Total | Overide |  |                       |
|---|--------------------|--------------------|------------|------------|---------------------|--------------|--|--|----|-------|---------|--|-----------------------|
|   |                    | <u>Electricity</u> | <u>A/C</u> | <u>Gas</u> | <u>Water/ Sewer</u> | <u>Other</u> |  |  |    |       |         |  |                       |
| A | Misc. and Interest | 62                 |            |            |                     |              |  |  | 62 |       |         |  | Total Income          |
| B | Laundry            |                    |            |            |                     |              |  |  | 0  |       |         |  | Rental Income         |
| C | Carports           |                    |            |            |                     |              |  |  | 0  |       |         |  | Annual                |
| D | Other:             |                    |            |            |                     |              |  |  | 0  |       |         |  | 2,668,320             |
| E | Other:             |                    |            |            |                     |              |  |  | 0  |       |         |  | Non-Rental Income     |
| F |                    |                    |            |            |                     |              |  |  | 0  |       |         |  | 3,362                 |
| G |                    |                    |            |            |                     |              |  |  | 0  |       |         |  | 280                   |
| H |                    |                    |            |            |                     |              |  |  | 0  |       |         |  | Total Project Revenue |
|   |                    |                    |            |            |                     |              |  |  |    |       |         |  | 2,671,682             |
|   |                    |                    |            |            |                     |              |  |  |    |       |         |  | Monthly               |
|   |                    |                    |            |            |                     |              |  |  |    |       |         |  | 222,360               |
|   |                    |                    |            |            |                     |              |  |  |    |       |         |  | 222,640               |

| Total Income          | Annual    | Monthly |
|-----------------------|-----------|---------|
| Rental Income         | 2,668,320 | 222,360 |
| Non-Rental Income     | 3,362     | 280     |
| Total Project Revenue | 2,671,682 | 222,640 |



| Existing Reserve Analysis |         |  |         |
|---------------------------|---------|--|---------|
| DCE Interest:             |         | Current Owner's Reserves:              | 0       |
| Insurance:                | 58,073  | Reserves Transferred in to Project     | 546,781 |
| Taxes:                    |         | Tax/Ins Escrows transferred to project | 58,073  |
| Rep. Reserve              | 546,781 |  |         |
| ORC:                      |         |  |         |
| DCE Principal:            |         |  |         |
| Other:                    |         |  |         |

**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY**  
**RESOLUTION DETERMINING MORTGAGE LOAN FEASIBILITY**  
**HECHTMAN I, MSHDA DEVELOPMENT NO. 3717**  
**WEST BLOOMFIELD TOWNSHIP, OAKLAND COUNTY**

**October 21, 2021**

WHEREAS, the Michigan State Housing Development Authority (the "Authority") is authorized under the provisions of Act No. 346 of the Public Acts of 1966 of the State of Michigan, as amended (the "Act"), to make mortgage loans to qualified non-profit housing corporations, consumer housing cooperatives and limited dividend housing corporations and associations; and

WHEREAS, an Application for Mortgage Loan Feasibility has been filed with the Authority by Jewish Senior Life of Metropolitan Detroit, Inc. (the "Applicant") for a multifamily housing project to be located in West Bloomfield Township, Oakland County, Michigan, having a total estimated development cost of Thirty-Nine Million Eighty-Five Thousand Two Hundred Four Dollars (\$39,085,204) and a total estimated maximum mortgage loan amount of Twenty-Three Million Eight Hundred Eighty Thousand Dollars (\$23,880,000) (hereinafter referred to as the "Application"); and

WHEREAS, a housing association to be formed by the Applicant may become eligible to receive a Mortgage Loan from the Authority under the provisions of the Act and the Authority's General Rules; and

WHEREAS, the Acting Executive Director has forwarded to the Authority his analysis of the Application and his recommendations with respect thereto; and

WHEREAS, the Authority has considered the Application in the light of the Authority's project mortgage loan feasibility evaluation factors.

NOW, THEREFORE, Be It Resolved by the Michigan State Housing Development Authority as follows:

1. The following determinations be and they hereby are made:
  - a. The proposed housing project will provide housing for persons of low and moderate income and will serve and improve the residential area in which Authority-financed housing is located or is planned to be located, thereby enhancing the viability of such housing.
  - b. The Applicant is reasonably expected to be able to achieve successful completion of the proposed housing project.
  - c. The proposed housing project will meet a social need in the area in which it is to be located.
  - d. A mortgage loan, or a mortgage loan not made by the Authority that is a federally-aided mortgage, can reasonably be anticipated to be obtained to

provide financing for the proposed housing project.

- e. The proposed housing project is a feasible housing project.
- f. The Authority expects to allocate to the financing of the proposed housing project proceeds of its bonds issued or to be issued for multifamily housing projects a maximum principal amount not to exceed Twenty-Four Million Two Hundred Seventy-Five Thousand Three Hundred Sixty-Six Dollars (\$24,275,366).

2. The proposed housing project be and it is hereby determined to be feasible for a mortgage loan on the terms and conditions set forth in the Mortgage Loan Feasibility/Commitment Report of the Authority Staff presented to the meeting, subject to any and all applicable determinations and evaluations issued or made with respect to the proposed housing project by other governmental agencies or instrumentalities or other entities concerning the effects of the proposed housing project on the environment as evaluated pursuant to the federal National Environmental Policy Act of 1969, as amended, and the regulations issued pursuant thereto as set forth in 24 CFR Part 58.

3. The determination of feasibility is based on the information obtained from the Applicant and the assumption that all factors necessary for the successful construction and operation of the proposed project shall not change in any materially adverse respect prior to the closing. If the information provided by the Applicant is discovered to be materially inaccurate or misleading, or any factors necessary for the successful construction and operation of the proposed project change in any materially adverse respect, this feasibility determination resolution may, at the option of the Executive Director, the Chief Housing Investment Officer, the Director of Legal Affairs, the Deputy Director of Legal Affairs, the Chief Financial Officer or any person duly authorized to act in any of the foregoing capacities (each an "Authorized Officer"), be immediately rescinded.

4. Neither this determination of feasibility nor the execution prior to closing of any documents requested to facilitate processing of a proposed mortgage loan to be used in connection therewith constitutes a promise or covenant by the Authority that it will make a Mortgage Loan to the Applicant.

5. This determination of Mortgage Loan Feasibility is conditioned upon the availability of financing to the Authority. The Authority does not covenant that funds are or will be available for the financing of the subject proposed housing development.

6. The Mortgage Loan Feasibility determination is subject to the conditions set forth in the Mortgage Loan Feasibility/Commitment Staff Report dated October 21, 2021, which conditions are hereby incorporated by reference as if fully set forth herein.

**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY**

**RESOLUTION AUTHORIZING MORTGAGE LOAN  
HECHTMAN I, MSHDA DEVELOPMENT NO. 3717  
WEST BLOOMFIELD TOWNSHIP, OAKLAND COUNTY**

**October 21, 2021**

WHEREAS, the Michigan State Housing Development Authority (the "Authority") is authorized, under the provisions of Act No. 346 of the Public Acts of 1966 of the State of Michigan, as amended (hereinafter referred to as the "Act"), to make mortgage loans to qualified nonprofit housing corporations, consumer housing cooperatives, limited dividend housing corporations and associations and certain qualified individuals; and

WHEREAS, an application (the "Application") has been filed with the Authority by Jewish Senior Life of Metropolitan Detroit, Inc. (the "Applicant") for a construction mortgage loan in the amount of Twenty-Three Million Eight Hundred Eighty Thousand Dollars (\$23,880,000) and a permanent mortgage loan in the amount of Eighteen Million Eight Hundred Eighty Thousand One Hundred Ninety-Five Dollars (\$18,880,195), for the construction and permanent financing of a multi-family housing project having an estimated total development cost of Thirty-Nine Million Eighty-Five Thousand Two Hundred Four Dollars (\$39,085,204), to be known as Hechtman I, located in West Bloomfield Township, Oakland County, Michigan, and to be owned by Hechtman I JSL Limited Dividend Housing Association Limited Partnership (the "Mortgagor"); and

WHEREAS, the Acting Executive Director has forwarded to the Authority his analysis of the Application and his recommendation with respect thereto; and

WHEREAS, the Authority has reviewed the Application and the recommendation of the Acting Executive Director and, on the basis of the Application and recommendation, has made determinations that:

- (a) The Mortgagor is an eligible applicant;
- (b) The proposed housing project will provide housing for persons of low and moderate income and will serve and improve the residential area in which Authority-financed housing is located or is planned to be located thereby enhancing the viability of such housing;
- (c) The Applicant and the Mortgagor are reasonably expected to be able to achieve successful completion of the proposed housing project;
- (d) The proposed housing project will meet a social need in the area in which it is to be located;
- (e) The proposed housing project may reasonably be expected to be marketed successfully;

- (f) All elements of the proposed housing project have been established in a manner consistent with the Authority's evaluation factors, except as otherwise provided herein;
- (g) The construction or rehabilitation will be undertaken in an economical manner and it will not be of elaborate design or materials; and
- (h) In light of the estimated total project cost of the proposed housing project, the amount of the mortgage loan authorized hereby is consistent with the requirements of the Act as to the maximum limitation on the ratio of mortgage loan amount to estimated total project cost.

WHEREAS, the Authority has considered the Application in the light of the criteria established for the determination of priorities pursuant to General Rule 125.145 and hereby determines that the proposed housing project is consistent therewith; and

WHEREAS, Sections 83 and 93 of the Act provide that the Authority shall determine a reasonable and proper rate of return to limited dividend housing corporations and associations on their investment in Authority-financed housing projects.

NOW, THEREFORE, Be It Resolved by the Michigan State Housing Development Authority as follows:

1. The Application be and it hereby is approved, subject to the terms and conditions of this Resolution, the Act, the General Rules of the Authority, and of the Mortgage Loan Commitment hereinafter authorized to be issued to the Applicant and the Mortgagor.

2. A mortgage loan (the "Mortgage Loan") be and it hereby is authorized and the Executive Director, the Chief Housing Investment Officer, the Director of Legal Affairs, the Deputy Director of Legal Affairs, the Chief Financial Officer, the Deputy Director of Finance or any person duly authorized to act in any of the foregoing capacities, or any one of them acting alone (each an "Authorized Officer"), are hereby authorized to issue to the Applicant and the Mortgagor the Authority's Mortgage Loan Commitment (the "Commitment") for the construction financing of the proposed housing project in an amount not to exceed Twenty-Three Million Eight Hundred Eighty Thousand Dollars (\$23,880,000), and permanent financing in an amount not to exceed of Eighteen Million Eight Hundred Eighty Thousand One Hundred Ninety-Five Dollars (\$18,880,195), and to have a term of forty (40) years after amortization of principal commences and to bear interest at a rate of three and 95/100 percent (3.95%) per annum. The amount of proceeds of tax exempt bonds issued or to be issued and allocated to the financing of this housing project shall not exceed Twenty-Four Million Two Hundred Seventy-Five Thousand Three Hundred Sixty-Six Dollars (\$24,275,366). Any Authorized Officer is hereby authorized to modify or waive any condition or provision contained in the Commitment.

3. The mortgage loan commitment resolution and issuance of the Mortgage Loan Commitment are based on the information obtained from the Applicant and the assumption that all factors necessary for the successful construction and operation of the proposed project shall not change in any materially adverse respect prior to the closing. If the information provided by the Applicant is discovered to be materially inaccurate or misleading, or any factors necessary for the successful construction and operation of the proposed project change in any materially adverse respect, this mortgage loan commitment resolution together with the commitment issued pursuant hereto may, at the option of an Authorized Officer, be rescinded.

4. Notwithstanding passage of this resolution or execution of any documents in anticipation of the closing of the proposed mortgage loan, no contractual rights to receive the mortgage loan authorized herein shall arise unless and until an Authorized Officer shall have issued a Mortgage Loan Commitment and the Applicant shall have agreed in writing within fifteen days after receipt thereof, to the terms and conditions contained therein.

5. The proposed housing project be and it hereby is granted a priority with respect to proceeds from the sale of Authority securities which are determined by the Executive Director to be available for financing the construction and permanent loans of the proposed housing project. Availability of funds is subject to the Authority's ability to sell bonds at a rate or rates of interest and at a sufficient length of maturity so as not to render the permanent financing of the development unfeasible.

6. In accordance with Section 93(b) of the Act, the maximum reasonable and proper rate of return on the investment of the Mortgagor in the housing project be and it hereby is limited to six percent (6%) of the Mortgagor's equity, or any other amount approved by HUD, but not to exceed twelve percent (12%). Following expiration of the HAP Contract, the Mortgagor's rate of return shall not exceed twenty-five percent (25%) per annum.

7. The Mortgage Loan shall be subject to, and the Commitment shall contain, the conditions set forth in the Mortgage Loan Feasibility/Commitment Staff Report dated October 21, 2021, which conditions are hereby incorporated by reference as if fully set forth herein.



## M E M O R A N D U M

**TO:** Authority Members

**FROM:** Gary Heidel, Acting Executive Director *Gy Heidel*

**DATE:** October 21, 2021

**RE:** Housing Development Fund Grant to Habitat for Humanity of Michigan

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### **RECOMMENDATION:**

I recommend the Michigan State Housing Development Authority (the "Authority") adopt a resolution authorizing the issuance of a Housing Development Fund grant to Habitat for Humanity of Michigan in the amount of \$1,175,000.

### **EXECUTIVE SUMMARY:**

Habitat for Humanity of Michigan ("HFHM") will use Authority Housing Development Funds to provide:

- Up to \$12,000 in **down payment assistance ("DPA")** to eligible low-income households and reimbursement up to \$350 for required HUD approved pre-purchase home buyer education. The DPA funds are targeted to households at or below 60% area median income ("AMI"). There is no minimum credit score requirement. (Habitat relies on the licensed loan originator to use their underwriting criteria.)
- Funding to support the **Priority Home Repair ("PHR") program** to complete home rehabilitations/repairs, serving existing low-income homes in Michigan. The PHR funds are targeted to households at or below 60% AMI. The PHR grant funds will be matched by a \$200,000 grant from the Consumers Energy Foundation. The Authority and Consumers Energy together have contributed \$900,000 to date to this program, providing 65 families with safe and healthy home improvements as well as training opportunities for all 55 Habitat affiliates.
- Funding to support and continue partnership with the Michigan Department of Correction's (MDOC) **Prison Build Program**. Correctional Facilities will produce housing components for affiliates to provide 40 low-income families in Michigan with affordable, high-quality products for their homes. Affiliates will have other options for purchasing housing components if MDOC facilities are limited due to COVID. Affiliates build and rehabilitate homes in partnership with new home buyer families. Families are provided with healthier, high-quality, hand-crafted products and inmates are provided with opportunities once they

reenter society. Prisoners learn and develop construction trade skills, earn certifications, give back to many communities in Michigan, participate in real life experiences of completing projects by specific deadlines, and have the chance to apply and interview for jobs through this program.

The DPA and PHR grants will have a formal written exception request policy/ parameter that will allow up to 10% of the DPA/PHR grant funds (\$90,000) to be used for applicants between 61% to 80% of area median income.

### **ADVANCING THE AUTHORITY'S MISSION:**

- Affiliates target low-income families up to 80% AMI across the state of Michigan with the opportunity to receive affordable housing options and/or home repairs in their communities, resulting in an improved quality of life. Affiliates help families out of substandard, overcrowded, cost burdened, and/or unsafe housing situations. Homeowners are positioned to become eligible for sustainable, modest housing, with an affordable mortgage and current homeowners for prioritized repairs focused on their utmost safety and health concerns.
- The PHR program enhances current housing market stock and value of the home in current neighborhoods. These repairs provide existing homeowners with more sustainable living conditions, focusing on the health and safety issues first, then focusing on repairs, increasing energy efficiency of the home thereby lowering utility costs. Affiliates increase the value of homes in neighborhoods by rehabbing existing and constructing new homes on vacant lots. Not only does this decrease blight but provides partnership and homeownership opportunities to families that may not otherwise be able to afford this housing option.
- The DPA forgivable loan program helps with costs that make homeownership prohibitive for low-income households and provides quality, energy efficient homes or upgrades. Habitat for Humanity ("HFH") homeownership opportunities give households the stability needed to grow and flourish - research supports positive health, educational, and financial outcomes for low-income homeowners, as well as increased civic engagement, when the homes they live in are safe and secure. By partnering with an HFH affiliate and/or HFHM, households also learn about personal finances.
- Prospective homeowners are educated about the responsibilities of homeownership and how to care for and maintain a home.
- The Prison Build Program provides families with high quality products for their homes. Sustainable building, health, and quality are always considered when ordering materials used for the products offered. Habitat affiliates in Michigan are also trained by HFHM to build homes based on sustainable building standards.
- Prisoners throughout Michigan benefit by receiving building trade skills, educational opportunities, and the opportunity to give back to communities. The inmates apply to be a part of the Prison Build Program through the same process one would go through for a job; from applications to interviews, to being hired. Though most of the prison building trades programs focus on rough carpentry, wall building, plumbing, and electrical, partnering with Habitat for Humanity gives the inmates opportunities to refine their building



skills while serving Michigan communities and educational opportunities in housing counseling programs. This service, in return, gives them a sense of purpose and opportunity to help others. In return for their partnership with Habitat for Humanity, the inmates will return to society with reference letters and picture portfolios from Habitat for Humanity of Michigan (HFHM) and a certificate and referral letter from MDOC. Prisoners that reenter society will have families to provide for and will need skills, referrals, and job opportunities to do such. Habitat affiliates will be provided with the means to hire these returned citizens.

**COMMUNITY ENGAGEMENT/IMPACT:**

HFHM has been creating new partnership opportunities with other organizations. These partnerships have enhanced existing partnerships, increased program funding, and increased the need for more funding to help enable and sustain homeownership for Michigan residents yearly.

HFHM plans to continue its partnership with the MDOC's Prison Build Program. Correctional Facilities will produce housing components for affiliates to provide 40 low-income families in Michigan with affordable, high-quality products for their homes. Affiliates will have other options for purchasing housing components if MDOC facilities are still limited because of the pandemic.

**ISSUES, POLICY CONSIDERATIONS, AND RELATED ACTIONS:**

None.



STATE OF MICHIGAN

GRETCHEN WHITMER  
GOVERNOR

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY  
LANSING

GARY HEIDEL  
ACTING EXECUTIVE DIRECTOR

## **HOUSING DEVELOPMENT FUND GRANT REPORT**

**October 21, 2021**

### **RECOMMENDATION:**

Pursuant to Administrative Rule 125.153, it is recommended that the Michigan State Housing Development Authority ("Authority") adopt a resolution authorizing a Housing Development Fund grant in an amount not to exceed One Million One Hundred Seventy-Five Thousand Dollars (\$1,175,000) to the Habitat for Humanity of Michigan for the purposes described in this report.

### **DEVELOPMENT INFORMATION:**

|                             |   |
|-----------------------------|---|
| <b>MSHDA No:</b>            | HDF-2022-791-HHS  |
| <b>Grantee:</b>             | Habitat for Humanity of Michigan  |
| <b>Location of Project:</b> | Statewide   |
| <b>Use of Funds:</b>        | Down Payment Assistance, Priority Home Repair Program, and Prison Build |
| <b>Number of Units:</b>     | N/A   |
| <b>Maximum Grant:</b>       | \$ 1,175,000  |
| <b>Contact Person(s):</b>   | Tonya Young/Tracey Barnes   |

### **SUMMARY OF PROPOSAL:**

Habitat for Humanity of Michigan ("HFHM") will use Authority Housing Development Funds to provide:

- A. Up to \$12,000 in **down payment assistance ("DPA")** to eligible low-income households and reimbursement up to \$350 for required HUD-approved pre-purchase home buyer education. The DPA funds are targeted to households at or below 60% area median income (AMI). There is no minimum credit score requirement (HFHM relies on the licensed loan originator to use their underwriting criteria).
- B. Funding to support the **Priority Home Repair ("PHR") program** to complete home rehabilitations/repairs, serving existing low-income homes in Michigan. The PHR funds are targeted to households at or below 60% AMI. The PHR grant funds will be matched by a \$200,000 grant from the Consumers Energy Foundation. The Authority and Consumers Energy together have contributed \$900,000 to date to this program, providing 65 families with safe and healthy home improvements, as well as training opportunities for all 55 HFHM affiliates.
- C. Funding to support and continue partnership with the Michigan Department of Correction's ("MDOC"). Correctional facilities will produce housing components for affiliates to provide 40 low-income families in Michigan with affordable, high-quality

products for their homes. Affiliates will have other options for purchasing housing components if MDOC facilities are limited due to COVID. Affiliates build and rehabilitate homes in partnership with new home buyer families. Families are provided with healthier, high-quality, hand-crafted products and inmates are provided with opportunity once they reenter society. Prisoners learn and develop construction trade skills, earn certifications, give back to many communities in Michigan, participate in real life experiences of completing projects by specific deadlines, and have the chance to apply and interview for jobs through this program.

The DPA and PHR grants will have a formal written exception request policy/ parameter that will allow up to 10% of the DPA/PHR grant funds (\$90,000) to be used for applicants between 61% to 80% of area median income.

### **ORGANIZATIONAL HISTORY:**

HFHM is a State Support Organization working in partnership with 55 local Habitat affiliates across Michigan since 1993. HFHM increases affiliate capacity, operating as a centralized business unit providing a menu of programs and services. These include gap financing, funding, technology, education, training, leadership development, consultancy, networking, regulatory compliance, advocacy, grant administration, and direct services to families. HFHM has two target communities: families and affiliates. HFHM positively impacts households, working to provide prospective homeowners a financially stable life following participation in housing counseling and education programs. HFHM's focus is to scale-up the number of families served with financial education, coaching and counseling including foreclosure prevention, accessing affordable mortgages, down payment assistance, and ultimately sustainable home ownership. HFHM affiliates (and other community organizations) have access to qualified home buyers and can serve more households in their real estate development and home repair work. Other home buying programs also benefit from pre-qualified and educated home buyers. HFHM grant dollars incentivize affiliates to build and rehabilitate homes to above-code standards and keep Habitat among the national leaders in high-performance housing. The Authority and HFHM have been working in partnership since 1993 to make safe, decent, affordable housing more accessible to Michigan communities. The Authority's support throughout HFHM's 26-year history has enabled thousands of Michigan residents to obtain/maintain affordable homeownership.

### **ELIGIBILITY UNDER THE ACT AND RULES:**

Section 24(3) of P.A. 346 of 1966, as amended, provides that the Authority may use monies from the Housing Development Fund to make grants to local communities (as defined by the Authority's General Rules), or to private nonprofit organizations formed to provide assistance to persons and families of low and moderate income. The Rules further require that prior to the authorization of any Housing Development Fund grant, each proposal be reviewed and analyzed to determine that the application meets the requirements of the Act and Rules and is consistent with the Authority's evaluation factors. Authority staff has reviewed the application and have determined that it complies with the Act, Authority Rules and HDF Evaluation Factors as discussed below.

This proposal has been reviewed and determined to have satisfied the Authority's "Revised Priorities, Evaluation Factors, and Criteria for Allocation of Development Fund Grants" ("HDF Evaluation Factors") adopted by the Authority on January 25, 2012; the HDF Evaluations Factors include, but are not limited to, the following:

1. "Summary of Program Purpose" Section I(A)(5) – Habitat for Humanity of Michigan will use grant funds to provide DPA and priority home rehabilitation/repairs to low-income households in Michigan.
2. "Eligible Applicants" Section I(B) – Habitat for Humanity of Michigan is a nonprofit corporation eligible under the Act to receive grant assistance under this program.
3. "Eligible Activities" Section I(C)(5)(h) – Activities under this grant will be for DPA and home repairs to low-income households in Michigan.
4. "Eligible Costs" Section I(D)(5)(7) – Costs associated with this grant will be for construction and grant administration. This includes cabinetry, counter tops, garden sheds, wall panels, horticulture packages, and other housing fixtures for low to moderate income households, including the transport of the completed products.

#### **SPECIAL CONDITIONS:**

Prior to the disbursement of any funds authorized pursuant to this grant, the applicant must:

1. Submit Articles of Incorporation, By-laws, a Certificate of Good Standing, and an Incumbency Certificate verifying eligibility to receive a Housing Development Fund grant, all in form and substance acceptable to the Director of Legal Affairs.
2. Submit written documentation that the President and CEO of Habitat for Humanity of Michigan has the authority to execute the Housing Development Fund grant agreement on behalf of the applicant.
3. Execute an agreement that includes: the projected budget; program statement; project work detail; an anti-discrimination provision effectuating Section 46 of the Act; and a provision that the funds may be recaptured if they are not used for the intended purposes. The Housing Development Fund grant agreement shall be acceptable in form and substance to the Director of Legal Affairs.

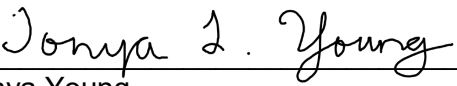
#### **DISCLOSURE**

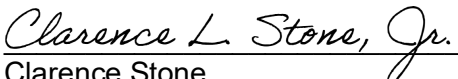
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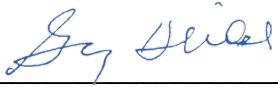
**APPROVALS:**

An application for a Housing Development Fund grant was submitted that included information and, where required by the Authority staff, supporting materials, and evidence with respect to all the following:

1. That the applicant is an applicant authorized by the Act to receive a Housing Development Fund grant;
2. The proposed housing or community development activities for which assistance in planning or implementation is being requested;
3. The total cost of the planned activities, the net costs to the applicant, and a schedule of the proposed uses of the requested Housing Development Fund grant and the amounts proposed to be allocated to each use; and
4. Other matters with respect to the proposal, the applicant, and other parties involved as the Authority staff and the Executive Director require.

10/10/2021  
\_\_\_\_\_  
Tonya YoungDate  
Neighborhood Enhancement Team Manager

Date  
\_\_\_\_\_  
Clarence Stone  
Director of Legal Affairs

Date  
\_\_\_\_\_  
Gary Heidel  
Acting Executive Director

**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY**

**RESOLUTION AUTHORIZING A HOUSING DEVELOPMENT FUND GRANT TO HABITAT  
FOR HUMANITY OF MICHIGAN**

**October 21, 2021**

WHEREAS, Section 23 of Public Act 346 of 1966, as amended (the "Act") creates and establishes a housing development fund (the "Housing Development Fund") under the jurisdiction and control of the Michigan State Housing Development Authority (the "Authority"); and

WHEREAS, Section 24(3) of the Act provides that the Authority may use the monies held in the Housing Development Fund to make grants ("HDF Grants") to local communities, as defined by the Authority in rules promulgated under the Act, or to public or private nonprofit organizations or local governmental agencies organized to provide assistance to persons and families of low or moderate income, in any amounts as the Authority determines, not to exceed the net costs, exclusive of any federal aid or assistance, incurred by the recipient in planning for or implementing housing assistance or community or housing development; and

WHEREAS, the Authority received an application for funding from Habitat for Humanity of Michigan ("HFH" or "Grantee"), a non-profit organization proposing to use Authority funds for a Down Payment Assistance Program, a Priority Home Repair Program, and a Prison Build Program (a collaboration with the Michigan Department of Corrections to produce quality home components for use in construction and rehabilitation of low-income homes);

WHEREAS, Authority staff and the Acting Executive Director have reviewed the application and recommend that the Authority adopt a resolution authorizing a HDF Grant to HFH in accordance with the accompanying HDF Grant Report; and

WHEREAS, the Authority concurs in the recommendation.

NOW, THEREFORE, Be It Resolved by the Michigan State Housing Development Authority as follows:

1. That the Authority hereby determines pursuant to Rule 125.153 of the Authority's General Rules that:
  - a. the Grantee is a local community as defined in Rule 125.103(c);
  - b. the Grant shall be used in planning for or implementing activities authorized by the Authority's Act;
  - c. the Grantee is reasonably expected to be able to implement the plan outlined in its application successfully; and
  - d. the proposed activities satisfy the Authority's "Revised Priorities, Evaluation Factors and Criteria for Allocation of Housing Development Fund Grants."

2. That a Grant not to exceed One Million One Hundred Seventy-Five Dollars (\$1,175,000) be and is hereby authorized to be used for the purposes set forth in the accompanying HDF Grant Report, subject to the special conditions contained therein and to the execution of a Grant Regulatory Agreement between the Authority and the Grantee, containing the following provisions:
  - a. an anti-discrimination provision effectuating Section 46 of the Act;
  - b. a provision that all actions and requirements are subject to the Act and the General Rules of the Authority;
  - c. a provision that all facilities acquired with the proceeds of the Grant shall be made subject to any liens, security interests or other security agreements and any terms, covenants and conditions regarding the use or resale of such facilities as shall be determined by the Executive Director;
  - d. a provision whereby the Authority reserves the right to pursue remedies prescribed by the Act for violations of the Grant Regulatory Agreement; and
  - e. a provision that all aspects of the Grantee's plan for the use of the Grant shall be subject to review and approval by the requisite Authority staff for the purpose of assuring conformity with Authority standards and criteria.
3. That, if an advance or a portion of the Grant for a specific purpose is not used for that purpose due to conditions that make it impossible to use as stated herein, or if the Grantee fails to use all or any portion of the Grant, any unused Grant proceeds that have been disbursed will be returned to the Authority immediately. All Grant proceeds that have not been used for approved Grant purposes on or before December 31, 2022 will be returned to the Authority's Housing Development Fund.
4. That the Executive Director may terminate or reduce the Grant at any time if (a) the Executive Director provides written notice to Authority members of the termination or reduction of the Grant and the reasons therefor and (b) on or before the 30<sup>th</sup> day after the mailing or electronic delivery of the written notice, no Authority member objects in writing to the termination or reduction of the Grant.
5. That the Executive Director, the Director of Legal Affairs, the Deputy Director of Legal Affairs, or the Chief Financial Officer or any person duly appointed and acting in that capacity (each an Authorized Officer) is authorized to make such changes as deemed necessary in the provision and special conditions contained in the accompanying Housing Development Fund Grant Report to assure the administration of the Grant is in compliance with the Act and the General Rules of the Authority.



# MSHDA

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

## M E M O R A N D U M

**TO:** Authority Members

**FROM:** Gary Heidel, Acting Executive Director *Gary Heidel*

**DATE:** October 21, 2021

**RE:** Contract Extension & Budget Increase Ratification - Online Application Services for the Eviction Diversion Program (Kinotech Cloud LLC)

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### **RECOMMENDATION:**

I recommend that the Michigan State Housing Development Authority (the "Authority") adopt a resolution ratifying the Michigan Department of Technology Management and Budget's ("DTMB") extension and budget increase, on behalf of the Authority, of the existing and previously-approved contract (DTMB Contract 210000000899) with Kinotech Cloud LLC to provide the Authority with online application software and software support pursuant to the COVID Emergency Rental Assistance ("CERA") program. The ratified extension includes a one (1) year term with three (3) optional one (1) year renewals and corresponding budget increase for a total contract amount not to exceed \$1,400,000.

### **CONTRACT SUMMARY:**

|   |  |
|---|--|
| Name of Contractor:                     | Kinotech Cloud LLC   |
| Amount of Contract:                     | No more than \$1,400,000 to be paid from administrative funds. |
| Length of Contract:                     | 1 year   |
| Extension Options:                      | 3  |
| Request for Proposal Date:              | N/A  |
| Number of Bids Received:                | N/A  |
| MSHDA Division Requesting the Contract: | MSHDA IT/RAHS  |

### **EXECUTIVE SUMMARY:**

In February 2021, the Authority authorized DTMB to enter a one-year contract with Kinotech Cloud to provide software, hosting and maintenance for the CERA software application that supports receiving electronic applications from tenants who are past due on utilities and/or rent due directly or indirectly to the corona virus outbreak. As the CERA program continues to receive applications and provide reporting to the U.S. Treasury, we are seeking the Authority's ratification



of the extension and budget increase of the contract with Kinetech Cloud LLC to ensure our ongoing ability to process online applications and distribute needed funding.

**ADVANCING THE AUTHORITY'S MISSION:**

Consistent with the Authority's mission, including its legal mandates to provide safe and affordable housing, critical to protecting the health, safety, and welfare of Michigan residents, ratification of the contract extension and budget increase will ensure that staff can continue providing rental assistance efficiently to those adversely affected by the COVID pandemic.

**COMMUNITY ENGAGEMENT/IMPACT:**

Inability to meet Program timelines risks loss of funding, which in turn could result in 15,000 – 20,000 Michigan families being unable to become current on their rent and/or utility bills, which would significantly increase their likelihood of being evicted and becoming homeless and/or experiencing utility shutoffs.

**ISSUES, POLICY CONSIDERATIONS, AND RELATED ACTIONS:**

Not being able to efficiently accept applications from renters or landlords puts the Authority at risk of losing \$200-\$300 million in funding that would benefit low-income renters.

**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY**

**RESOLUTION AUTHORIZING THE MICHIGAN DEPARTMENT OF TECHNOLOGY,  
MANAGEMENT AND BUDGET TO EXTEND THE PROFESSIONAL SERVICES CONTRACT  
WITH KINETECH CLOUD LLC FOR SOFTWARE SERVICES ON BEHALF OF THE  
AUTHORITY**

**October 21, 2021**

WHEREAS, the Consolidated Appropriations Act of 2021, authorized by the United States Congress, authorizes the COVID-19 Emergency Rental Assistance program ("CERA") with additional funding administered by the United States Treasury to assist households who may be unable to pay rent or utilities; and

WHEREAS, the Authority has received the memorandum of the Executive Director regarding the need to extend the existing contract with the current service provider assisting the Michigan State Housing Development Authority ("Authority") with administering pandemic-related relief efforts, ensuring that the Authority continues administering emergency assistance funds received in accordance with the Consolidated Appropriations Act of 2021, including providing Authority funds, if necessary, to be reimbursed by the Treasury when appropriated funds are made available; and

WHEREAS, the Executive Director recommends that the Authority ratify the extension and budget increase of the existing contract between the Michigan Department of Technology, Management and Budget ("DTMB"), previously approved and entered into on the Authority's behalf, and Kinetech Cloud LLC for an additional one (1) year term with three one (1) year extensions, at the option of the Authority, for a total contract amount not to exceed One Million Four Hundred Thousand Dollars (\$1,400,000); and

WHEREAS, the Authority concurs in the memorandum and recommendation of the Executive Director and hereby determines that continuation of the above-referenced services are necessary for the effective implementation of the Authority's program, policies, and mission.

NOW, THEREFORE, Be It Resolved by the Michigan State Housing Development Authority, that the extension and budget increase of the existing contract between the Department of Technology, Management and Budget, on behalf of the Michigan State Housing Development Authority, and Kinetech Cloud LLC, for an additional one (1) year term with three additional one (1) year extensions, at the option of the Authority, for a total contract amount not to exceed One Million Four Hundred Thousand Dollars (\$1,400,000) is hereby ratified.



# MSHDA

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

## M E M O R A N D U M

**TO:** Authority Members

**FROM:** Gary Heidel, Acting Executive Director *Gy Heidel*

**DATE:** October 21, 2021

**RE:** Resolution Authorizing Professional Services Contract with C4 Innovations, LLC

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### **RECOMMENDATION:**

I recommend that the Michigan State Housing Development Authority (the "Authority") adopt a resolution authorizing a professional services contract with C4 Innovations, LLC, for an amount not to exceed \$550,000.00.

### **CONTRACT SUMMARY:**

|                            |   |
|----------------------------|---|
| Name of Contractor:        | C4 Innovations, LLC                                       |
| Amount of Contract:        | Not to exceed \$550,000                                   |
| Length of Contract:        | November 1, 2021 – September 30, 2022.                    |
| Extension Options:         | One extension allowed, if needed, to complete the project |
| Request for Proposal Date: | June 28, 2021   |
| Number of Bids Received:   | 4   |
| MSHDA Division:            | Rental Assistance & Homeless Solutions                    |
| Requesting the Contract:   | Rental Assistance & Homeless Solutions                    |

### **EXECUTIVE SUMMARY:**

C4 Innovations, LLC ("Contractor"), is a woman-owned training, technical assistance, and consulting company with 15 years of experience, headquartered in Massachusetts. The Contractor has successfully performed contracts with the Michigan Department of Health and Human Services and has partnered with a variety of Michigan-based groups in the areas of fair housing and disability rights. The Contractor will work with Michigan's Campaign to End Homelessness ("MCTEH") to create a Racial Equity Strategic Plan ("Plan") that will transform the homeless service delivery system, as well as the structures of the MCTEH, through a racial equity lens. The Contractor will involve Continua of Care/Local Planning Bodies and MCTEH

stakeholders throughout the process of creating and implementing the Plan. Partnership with BIPOC<sup>1</sup> and other people with lived expertise of homelessness will be critical to all phases.

The Plan will encompass the following priorities:

1. Provide ways for communities already engaged in making their service delivery systems more just and equitable from a racial equity lens to move this work forward, share resources with peers, and allow for them to broadcast their learning to other members of the MCTEH.
2. Provide a foundation for communities who have not yet begun to address racial disparities within their service delivery systems.
3. Provide the Michigan Interagency Council on Homelessness and the Michigan Homeless Policy Council with an understanding of how to transform the systems and structures they have in place to make them more just and racially equitable.
4. Provide funders affiliated with the MCTEH with an understanding of how they can advance racial equity work happening within this sphere and support it moving forward.
5. Provide guidance about how the MCTEH leadership can support this work.
6. Any other priorities that are identified and co-developed by the vendor(s) and the MCTEH stakeholders.

The Contractor will use a participatory research approach throughout the creation and implementation of the Plan and a wide range of quantitative and qualitative data sources such as surveys, the national Homeless Management Information System, Census reports, the U.S. Housing and Urban Development Stella P Performance Module, focus groups, and community conversations.

The Authority lacks the staff and equipment to perform the Contractor's services in-house. This is a preauthorized service that does not require Civil Service Commission review and approval. This contract presents no foreseeable risk to the Authority.

### **ADVANCING THE AUTHORITY'S MISSION:**

This contract will support the Authority's guiding principles of pursuing equitable housing outcomes and promoting innovative partner collaboration. This state-wide work highlights the diverse audiences reached ranging from individuals helped to communities served. Community support for this project has been offered by a spectrum of stakeholders working to address homelessness, including the Michigan Interagency Council on Homelessness, the Michigan Homeless Policy Counsel, local and regional Continua of Care, and others.

### **COMMUNITY ENGAGEMENT/IMPACT:**

This project will impact the community by bringing into the State of Michigan's efforts to address homelessness the longstanding effects of past and present discrimination and how those effects perpetuate disparities in housing. The Plan will lead to a more equitable and effective system for addressing the needs of homeless Michiganders.

### **ISSUES, POLICY CONSIDERATIONS, AND RELATED ACTIONS:**

None.

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<sup>1</sup> BIPOC: Black, Indigenous, People of Color.

**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY**

**RESOLUTION AUTHORIZING PROFESSIONAL SERVICES CONTRACT WITH C4  
INNOVATIONS, LLC**

**October 21, 2021**

WHEREAS, the Michigan State Housing Development Authority (the "Authority") has received the report of the Acting Executive Director regarding the professional services needed to carry out the Authority's mission by working with Michigan's Campaign to End Homelessness (MCTEH) to create and implement a Racial Equity Strategic Plan to implement within the homeless service delivery system, as well as the structures of the MCTEH, through a racial equity lens;

WHEREAS, the Acting Executive Director has recommended that the Authority approve a professional services contract ("Contract") to retain the services of C4 Innovations, LLC, for a term beginning on or about November 1, 2021, and ending September 30, 2022, and allowing for one contract extension; and

WHEREAS, the Contract, selected in conformance with the Authority's procurement process, shall be fee-based for an amount not to exceed \$550,000; and

WHEREAS, these services are pre-authorized by the Civil Service Commission; and

WHEREAS, the Authority concurs in the report and recommendation of the Acting Executive Director and determines that the Contract to create and implement the Racial Equity Strategic Plan is needed to help make the Authority's homelessness programs throughout the state more just and equitable, thereby enhancing its homeless service delivery system.

NOW, THEREFORE, Be It Resolved by the Michigan State Housing Development Authority, that the Executive Director, the Director of Legal Affairs, the Chief Financial Officer, or any person duly acting in such capacity (each, an "Authorized Officer"), or any of them, is each hereby authorized to enter a professional services contract with C4 Innovations, LLC, for a period beginning on or about November 1, 2021 and ending September 30, 2022 for an amount not to exceed Five Hundred Fifty Thousand Dollars (\$550,000), as described above and in the accompanying memorandum.



# MSHDA

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

## M E M O R A N D U M

**TO:** Authority Members

**FROM:** Gary Heidel, Acting Executive Director *Gy Heidel*

**DATE:** October 21, 2021

**RE:** Approval to Award Professional Services Contracts for the Housing Choice Voucher Program – Independent Contractual Housing Agents

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### **RECOMMENDATION:**

I recommend that the Michigan State Housing Development Authority (“the Authority”) adopt a resolution approving the award of Professional Services Contracts for Independent Contractual Housing Agents that provide services necessary for the administration of the Department of Housing and Urban Development (“HUD”) Housing Choice Voucher (“HCV”) Program throughout the state of Michigan to the fourteen contractors identified below, for an amount not to exceed a cumulative total of \$60,000,000 over five years, at approximately \$12,000,000 cumulatively each year.

The award of the Professional Services Contracts is contingent upon Civil Service approval to contract for these services for Fiscal Year 2022 through 2026. The Authority anticipates Civil Service approval in mid-November 2021.

### **CONTRACT SUMMARY:**

#### **Names of Contractors:**

- |                                      |  |
|--------------------------------------|--|
| 1) BECKA Management, LLC             | 8) Pine Grove Housing Services, LLC      |
| 2) Busch Housing Services, LLC       | 9) Property Consultants Associates, Inc. |
| 3) City of Lapeer                    | 10) RPI Management, Inc.                 |
| 4) Community Housing Advocates, LLC  | 11) Salyers, Inc.                        |
| 5) Community Management Assoc., Inc. | 12) Szajna & Associates, Inc.            |
| 6) Dickinson Housing Assistance, LLC | 13) Tip of the Mitt Housing, LLC         |
| 7) Housing Services, LLC             | 14) Lansing Housing Commission           |

**Amount of Contract:** \$60,000,000 cumulative total over five years, at approximately

\$12,000,000 total across all contracts per year.

**Length of Contract:** January 1, 2022, through December 31, 2023, with the exception of the Lansing Housing Commission. The Lansing Housing Commission will be under a probationary contract from December 1, 2021, to July 31, 2022. If the probationary contractor achieves a satisfactory competency level it will be awarded a standard contract through December 31, 2023.

**Extension Options:** Up to three subsequent one-year extensions of each contract, through 2026.

**Request for Proposal Date:** August 4, 2021

**Number of Bids Received:** 16

**MSHDA Division Requesting the Contract:** Rental Assistance and Homeless Solutions.

### **EXECUTIVE SUMMARY:**

The Authority administers one of the largest HCV programs in the country, with an annual budget that exceeds \$220 million dollars. This federally funded program assists nearly 28,000 households, located throughout the State, with rental assistance payments. Given the scope and complexity of the program, the Authority has determined that the most efficient and effective service delivery mechanism is to retain independent contractors. With these experienced contractors, who have close connections with Continuum of Care (CoC) Agencies, Housing Assessment and Resource Agencies (HARA), and other community resources to better assist clients in the field and to perform the day-to-day administration services necessary, this program is able to provide safe, decent, and affordable housing to the most vulnerable populations in Michigan.

The Authority received proposals from sixteen bidders. Proposals were selected based on Selection Criteria for Group A and Group B:

Group A criteria was applicable for current MSHDA Housing Agents or previous MSHDA Housing Agents with successful performance histories. The applicants were required to meet a threshold score of 75 out of 100 points to be considered for a contract. There were thirteen applicants eligible under Group A and all thirteen have been recommended for contracts.

Group B criteria was applicable for all other applicants who were under consideration for a probationary contract. The applicants were required to meet a threshold score of 60 points out of 80 to be considered. Applicants that met the threshold score were subject to a follow-up interview conducted on Monday, October 4, 2021. There were three applicants under Group B, and one has been recommended for a probationary contract.

Contractors will be compensated \$27 per month for each participant under a Housing Assistance Payment (HAP) contract. The single contractor operating in the Upper Peninsula will receive an additional \$4 per month for each participant under a HAP contract and the single contractor operating in Northern Lower Peninsula will receive an additional \$2 per month for each participant under a HAP contract due to higher travel costs associated with the low voucher density in these areas.

In addition, the probationary contractor will be compensated a flat rate of \$4,000 per month for December 2021 and January 2022 to assist in covering travel, training, and other expenses.

#### **ADVANCING THE AUTHORITY'S MISSION:**

The Authority uses its HCV program to help meet the housing needs of those experiencing homelessness and other extremely low-income households. This is accomplished, in part, through contractual agreements with Independent Contractors. Partnering with contractors allows the Authority to provide housing resources more efficiently and effectively to a broad spectrum of low-income Michiganders. The services provided by the contractors are unique and specialized, which include briefing participants and landlords on program requirements, determining applicant eligibility, case management, and physically inspecting rental properties to ensure compliance with HUD's Housing Quality Standards. These activities are required by HUD as a condition of participation in HCV programs.

#### **COMMUNITY ENGAGEMENT/IMPACT:**

These contracts allow the Authority to provide regionally-based HCV services with a community focus. Regional contractors are able to cultivate relationships with local landlords and program participants, facilitating program effectiveness, responsiveness, and customer service.

#### **ISSUES, POLICY CONSIDERATIONS, AND RELATED ACTIONS:**

The Authority has successfully made use of HCV Professional Service Contracts for some time, most recently following an RFP in 2016 with extensions for those contracts approved by the Authority in 2018, to extend through 2021.



**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY**

**RESOLUTION AUTHORIZING PROFESSIONAL SERVICE CONTRACT FOR INDEPENDENT  
CONTRACTUAL HOUSING AGENTS**

**October 21, 2021**

WHEREAS, the Michigan State Housing Development Authority (the "Authority") administers the Housing Choice Voucher Program (the "HCV Program") for the U.S. Department of Housing and Urban Development ("HUD") through the Authority's Rental Assistance and Homeless Solutions Division (the "RAHS Division"); and

WHEREAS, the Authority has received the memorandum of the Executive Director regarding the award of HCV Program Professional Service Contracts for the Independent Contractual Housing Agents; and

WHEREAS, the Executive Director recommends that the Authority enter into the fourteen (14) Professional Service Contracts for Independent Contractual Housing Agents as described in the accompanying memorandum, subject to approval of the same by the State of Michigan Civil Service ("Civil Service"); and

WHEREAS, the Authority concurs in the memorandum and recommendation of the Executive Director and hereby determines that the above-referenced services are necessary for the effective implementation of the Authority's programs and policies.

NOW, THEREFORE, Be It Resolved by the Michigan State Housing Development Authority that entry into the Professional Service Contracts for Independent Contractual Housing Agents described in the accompanying memorandum, subject to Civil Service approval of the same, to provide professional services is hereby approved for the period beginning January 1, 2022, through December 31, 2023.

**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY**

**RESOLUTION – SELECTION OF  
EXECUTIVE DIRECTOR**

**October 21, 2021**

WHEREAS, the Michigan State Housing Development Authority (the “Authority”) is authorized pursuant to Section 21(6) of the State Housing Development Authority Act of 1966, as amended (MCLA 125.1421(6)), to employ an Executive Director; and

WHEREAS, Article II, Section 4 of the Bylaws of the Authority provides for the appointment of the Executive Director by the members of the Authority; and

WHEREAS, Authority members have conducted interviews of candidates for the position of Executive Director.

NOW, THEREFORE, Be It Resolved by the Michigan State Housing Development Authority that

1. The Chair is authorized to conditionally offer the position of Executive Director to Amy Hovey.
2. The offer is subject to: (a) compliance with Michigan Civil Service rules, regulations and procedures as determined by the Director of Human Resources and (b) completion of any conflict-of-interest documentation and procedures as determined by the Director of Legal Affairs.
3. The Chair is hereby authorized on behalf of the Authority to take any actions that the Chair deems necessary in her sole discretion to comply with state and/or federal law and regulations, including but not limited to, requesting advisory or legal opinions and the negotiation and execution of documents, subject to Section 2 above.
4. The agreement that confirms the hiring of the Executive Director, which is a state-classified position, shall be subject to the approval and execution of the State Personnel Director.

# Delegated Action Report(s)

Homeownership



## M E M O R A N D U M

**TO:** Authority Members

**FROM:** Gary Heidel, Acting Executive Director *Gy Heidel*

**DATE:** October 21, 2021

**RE:** Homeownership Division Summary of Delegated Actions  
for the Period July 1, 2021, to September 30, 2021

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From time to time, the Authority has delegated certain actions to the Executive Director. Typically, the delegated actions include a reporting requirement. The following is a listing of the delegated actions activity undertaken by the Homeownership Division during the above time period. If activity is indicated, a report on that delegated action is attached.

### I. Loan Activity

|   |             |
|---|-------------|
| A. Moderate Rehabilitation Loans                  | No Activity |
| B. Mortgage Loan Increases                        | No Activity |
| C. Mortgage Loans for MI HOME and CSH             | No Activity |
| D. Small Size and High Security Loans             | No Activity |
| E. Development Fund Loans Under \$250,000         | No Activity |
| F. Pre-Development Loans                          | No Activity |
| G. HOME Funds for MSHDA-Financed Project          | No Activity |
| H. Asset Management                               | No Activity |
| I. Homeless Initiatives                           | No Activity |
| J. Neighborhood Stabilization Program (NSP) Loans | No Activity |
| K. Waiver of Prepayment Prohibition               | No Activity |

### II. Professional Services Contracts

|                                       |                     |
|---------------------------------------|---------------------|
| A. Contracts Under \$25,000           | No Activity         |
| B. Homeownership Counseling           | See Attached Report |
| C. Technical Assistance Contracts     | No Activity         |
| D. Environmental Consulting Contracts | No Activity         |

### III. Work-out for 80/20 Developments No Activity

### IV. Grant Activity

|  |             |
|--|-------------|
| A. Application for State or Federal Funds  | No Activity |
| B. HOME Grants                             | No Activity |
| C. CDBG Grants                             | No Activity |
| D. Development Fund Grants Under \$250,000 | No Activity |
| E. Homeless Initiatives                    | No Activity |

|      |   |                     |
|------|---|---------------------|
|      | F. Neighborhood Stabilization Program (NSP) Grants                  | No Activity         |
|      | G. HUD Housing Counseling Grant                                     | See Attached Report |
| V.   | <u>Michigan Affordable Housing Fund Activity</u>                    | No Activity         |
| VI.  | <u>Disposition of Bankruptcy Lien Stripping Cases</u>               | No Activity         |
| VII. | <u>Acceptance and Approval of HUD Housing Choice Vouchers (HCV)</u> | No Activity         |

## **REPORT ON DELEGATED ACTIONS**

**For the period July 1, 2021 to September 30, 2021**

**Date: October 21, 2021**

### **DELEGATED ACTION**

#### **Housing Education Program (HEP)**

On June 17<sup>th</sup>, 2021 the Authority approved the continuation of MSHDA's Housing Education Program by approving the budgeted amount of \$700,000 for the fiscal year 2021/2022 and delegating to authorize signatories for the Homeownership Division the authority to enter into or renew existing contracts.

### **ACTIVITY**

A listing of all contract expenditures during the reporting period is attached.

The purpose of the Michigan State Housing Development Authority's (MSHDA or Authority) Housing Education Program (HEP) is to facilitate education for clients seeking to purchase or retain a home. MSHDA's Housing Education Program ("HEP") partners with agencies to ensure that every Michigan citizen has access to accurate, non-biased assistance to help make informed choices about housing and homeownership. Through our partner agencies, MSHDA's HEP services are provided to all 83 Michigan counties at little to no cost to the consumer; they are offered in a variety of formats to maximize accessibility.

Services include Homebuyer Education, Disaster Preparedness, Pre-Purchase Individual services, Financial Capability services, Rental services, Homeless services and Foreclosure services.

Agencies that receive funds through this opportunity will provide assistance to first-time and repeat homebuyers by providing education on the many facets of the home purchase process to clients seeking to purchase their home with the intent of utilizing a MSHDA mortgage product.

Additionally, the agency may provide assistance to current homeowners or renters who are in need of foreclosure counseling, rental counseling and other related housing counseling.

| <b>MSHDA Housing Education Program (HEP)<br/>Counseling Agency Contracts<br/>FY 2021/22 - July 1, 2021 to June 30, 2022</b> | <b>EIN #</b> | <b>Contract<br/>Amount</b> |
|---|--------------|----------------------------|
| Abayomi Community Dev. Corp.  | 38-3407865   | \$15,000.00                |
| Amandla Community Dev. Corp   | 38-3195198   | \$15,000.00                |
| Blue Water Community Action Agency  | 38-2284121   | \$15,000.00                |
| Capital Area Housing Partnership  | 38-2926892   | \$35,000.00                |
| City of Grand Haven   | 38-6004687   | \$20,000.00                |
| Community Action Agency   | 38-1803599   | \$15,000.00                |
| Community Action House  | 23-7120670   | \$15,000.00                |
| Community Housing Network   | 38-3372734   | \$25,000.00                |
| Genesee County Habitat  | 38-2899387   | \$13,495.00                |
| H.O.M.E. of Mackinac County   | 38-3142455   | \$25,000.00                |
| Habitat for Humanity Michigan   | 38-2874694   | \$40,921.00                |
| Habitat for Humanity of Huron Valley  | 38-3243925   | \$25,000.00                |
| Home Repair Services of Kent County   | 38-2263817   | \$20,000.00                |
| Inner City Christian  | 38-1903026   | \$20,000.00                |
| Jewish Vocational Services  | 38-1358013   | \$25,000.00                |
| Kalamazoo Neighborhood Housing  | 38-2391442   | \$45,000.00                |
| Matrix Human Services   | 38-2056236   | \$15,000.00                |
| Michigan State University Extension Office  | 38-1813239   | \$24,999.67                |
| Mid Michigan CAA  | 38-6005984   | \$15,000.00                |
| Monroe County Opportunity Program   | 38-3302761   | \$11,000.00                |
| National Faith  | 38-3164047   | \$15,000.00                |
| NCCS Center for Nonprofit Housing   | 38-1818068   | \$10,000.00                |
| Neighborhood Legal Services of Michigan   | 38-1873461   | \$15,000.00                |
| Northeast Michigan Community Service Agency, Inc.   | 38-3395829   | \$15,000.00                |
| Northern Homes Community Development Corporation  | 38-2027389   | \$20,000.00                |
| Northwest Michigan Community Action Agency  | 38-6004876   | \$25,000.00                |
| Oakland County  | 38-1785665   | \$15,000.00                |
| Oakland Livingston County   | 38-2324335   | \$25,000.00                |
| Southwest Economic Solutions  | 38-2415106   | \$25,000.00                |
| Telamon   | 56-1022483   | \$15,000.00                |
| U-SNAP-BAC  | 38-2810320   | \$20,000.00                |
| Wayne Metropolitan Community Action Agency  | 38-1976979   | \$35,000.00                |

## **REPORT ON DELEGATED ACTIONS**

**For the period July 1, 2021 to September 30, 2021**

**Date:** October 21, 2021

### **DELEGATED ACTION**

#### **Housing Stability Counseling Program (HSCP)**

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 (Public Law 117-2) into law, appropriating \$100 million to the Neighborhood Reinvestment Corporation, doing business as NeighborWorks® America (NeighborWorks), to fund the Housing Stability Counseling Program (HSCP).

### **ACTIVITY**

A listing of all contract expenditures during the reporting period is attached.

These funds are for housing counseling services, defined as (i) housing counseling provided directly to households facing housing instability, such as eviction, default, foreclosure, loss of income, or homelessness; (ii) education, outreach, training, technology upgrades, and other program related support; and (iii) operational oversight funding for grantees and sub-grantees. On September 8, 2021, MSHDA HEP was officially notified of an award in the amount of \$181,431.84. These funds supported seven housing counseling agencies with the focus on the counties of greatest need as identified by NeighborWorks. These counties include: Oceana, Lake, Isabella, Ingham, Clare, Houghton, Washtenaw and Wayne.



**MSHDA Housing Stability Counseling Program (HSCP)**  
**Counseling Agency Contracts**  
**FY 2021/23 Expires February 28, 2023**

| SUB-GRANTEE AGENCY                       | SUBMITTED NOI | Agency Serves Target County              | ASSIGNED County Focus Based on Coverage  | Performs Foreclosure Counseling Services | Performs Rental Counseling Services | Grant Award Amount (LABOR) | Grant Award Amount (PROGRAM SUPPORT) |
|--|---------------|--|--|--|-------------------------------------|----------------------------|--------------------------------------|
| Capital Area Housing Partnership         | X             | Ingham                                   | Ingham                                   | X  | X                                   | \$ 22,072.00               | \$ 6,621.60                          |
| Wayne Metro CAA                          | X             | Washtenaw, Wayne                         | Washtenaw, Wayne                         | X  | X                                   | \$ 22,072.00               | \$ 6,621.60                          |
| H.O.M.E. of Mackinac County              | X             | Houghton                                 | Houghton                                 | X  | X                                   | \$ 22,072.00               | \$ 6,621.60                          |
| MSU Extension<br>(*Specific Office Only) | X             | Clare, Houghton, Ingham, Isabella, Wayne | Clare, Ingham, Wayne, Houghton, Isabella | X  | X                                   | \$ 22,072.00               | \$ 6,621.60                          |
| NCCS-Center for Nonprofit Housing        | X             | Lake, Oceana                             | Lake, Oceana                             | X  | X                                   | \$ 22,072.00               | \$ 6,621.60                          |
| NEMSCA                                   | X             | Ogemaw                                   | Ogemaw                                   | X  | X                                   | \$ 22,072.00               | \$ 6,621.60                          |
|  |               |  | <b>COLUMN TOTAL</b>                      |  |                                     | <b>\$ 132,432.00</b>       | <b>\$ 39,729.60</b>                  |
|  |               |  | <b>TOTAL GRANT AWARD</b>                 |  |                                     | <b>\$ 132,432.00</b>       | <b>\$ 39,729.60</b>                  |

# Delegated Action Report(s)

## Rental Assistance and Homeless Solutions



## M E M O R A N D U M

**TO:** Authority Members

**FROM:** Gary Heidel, Acting Executive Director *Gy Heidel*

**DATE:** October 21, 2021

**RE:** Rental Assistance and Homeless Solutions Summary of Delegated Actions for the Period July 1, 2021 – September 30, 2021

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From time to time, the Authority has delegated certain actions to the Executive Director. Typically, the delegated actions include a reporting requirement. The following is a listing of the delegated actions activity undertaken by the Rental Assistance and Homeless Solutions Division during the above time. If activity is indicated, a report on that delegated action is attached.

### I. Loan Activity

|   |             |
|---|-------------|
| A. Moderate Rehabilitation Loans                  | No Activity |
| B. Mortgage Loan Increases                        | No Activity |
| C. Mortgage Loans for MI HOME and CSH             | No Activity |
| D. Small Size and High Security Loans             | No Activity |
| E. Development Fund Loans Under \$250,000         | No Activity |
| F. Pre-Development Loans                          | No Activity |
| G. HOME Funds for MSHDA-Financed Project          | No Activity |
| H. Asset Management                               | No Activity |
| I. Homeless Initiatives                           | No Activity |
| J. Neighborhood Stabilization Program (NSP) Loans | No Activity |
| K. Waiver of Prepayment Prohibition               | No Activity |

### II. Professional Services Contracts

|                                       |             |
|---------------------------------------|-------------|
| A. Contracts Under \$25,000           | No Activity |
| B. Homeownership Counseling           | No Activity |
| C. Technical Assistance Contracts     | No Activity |
| D. Environmental Consulting Contracts | No Activity |

### III. Work-out for 80/20 Developments

No Activity

IV. Grant Activity

|  |                     |
|--|---------------------|
| A. Application for State or Federal Funds          | No Activity         |
| B. HOME Grants                                     | No Activity         |
| C. CDBG Grants                                     | No Activity         |
| D. Development Fund Grants Under \$250,000         | No Activity         |
| E. Homeless Initiatives                            | See Attached Report |
| F. Neighborhood Stabilization Program (NSP) Grants | No Activity         |

V. Michigan Affordable Housing Fund Activity No Activity

VI. Disposition of Bankruptcy Lien Stripping Cases No Activity

VII. Acceptance and Approval of HUD Housing Choice Vouchers (HCV) No Activity

Michigan State Housing Development Authority  
Grants Awarded 07/01/2021 thru 09/30/2021

Funding Source Categories: MSHDA and Federal McKinney  
Program Categories: ESG and Special Grant

| <u>County</u>          | <u>Grant Number</u>        | <u>Organization Name &amp; Address</u>   | <u>Grant Amount</u> |
|------------------------|----------------------------|--|---------------------|
| Allegan<br>08/01/2021  | HML-2020-Allegan -6489-CES | Allegan County Community Mental Health Services<br>3283 122nd Avenue P.O. Box 130<br>Allegan, MI 49010     | \$19,304            |
| Alpena<br>08/01/2021   | HML-2020-Northeas-103-CES  | Northeast Michigan Community Service Agency, Inc.<br>2375 Gordon Road<br>Alpena, MI 49707-4327             | \$65,151            |
| Barry<br>08/01/2021    | HML-2020-Barry Co-1313-CES | Barry County United Way<br>231 S Broadway St.<br>Hastings, MI 49058-1835                                   | \$12,065            |
| Berrien<br>08/01/2021  | HML-2020-Emergenc-5336-CES | Emergency Shelter Services, Inc.<br>P.O. Box 767<br>Benton Harbor, MI 49023                                | \$16,891            |
| Berrien<br>08/01/2021  | HML-2020-Southwes-144-CES  | Southwest Michigan Community Action Agency<br>185 E. Main St. Suite 303<br>Benton Harbor, MI 49022-4431    | \$12,065            |
| Branch<br>08/01/2021   | HML-2020-Pines Be-6011-CES | Pines Behavioral Health<br>200 Vista Drive<br>Coldwater, MI 49036  | \$12,065            |
| Chippewa<br>08/01/2021 | HML-2020-Chippewa-12-CES   | Chippewa-Luce-Mackinac Community Action Human Resource Authority, Incorporated<br>524 Ashmun Street        | \$33,782            |
| Clare<br>08/01/2021    | HML-2020-Mid Mich-92-CES   | Mid Michigan Community Action Agency, Inc.<br>1574 E. Washington Road PO Box 768<br>Farwell, MI 48622-0768 | \$41,021            |

| <u>County</u>                | <u>Grant Number</u>        | <u>Organization Name &amp; Address</u>  | <u>Grant Amount</u> |
|------------------------------|----------------------------|---|---------------------|
| Delta<br>08/01/2021          | HML-2020-Human Re-9972-CES | Human Resources Authority Inc<br>507 1st Avenue N<br>Escanaba, MI 49829                                     | \$16,891            |
| Eaton<br>08/01/2021          | HML-2020-Housing -675-CES  | Housing Services Mid Michigan<br>319 South Cochran Avenue P.O. Box 746<br>Charlotte, MI 48813-0746          | \$24,130            |
| Gogebic<br>08/01/2021        | HML-2020-Gogebic--188-CES  | Gogebic-Ontonagon Community Action<br>Agency<br>100 S. Mill Street<br>Bessemer, MI 49911-1354               | \$24,130            |
| Grand Traverse<br>08/01/2021 | HML-2020-Northwes-107-CES  | Northwest Michigan Community Action<br>Agency, Inc.<br>3963 Three Mile Road<br>Traverse City, MI 49686-9164 | \$72,390            |
| Ionia<br>08/01/2021          | HML-2020-EightCAP-45-CES   | EightCAP, Inc.<br>5827 Orleans Road<br>Orleans, MI 48865-8603   | \$38,608            |
| Jackson<br>08/01/2021        | HML-2020-Communit-268-CES  | Community Action Agency<br>1214 Greenwood Avenue<br>Jackson, MI 49203-3037                                  | \$19,304            |
| Marquette<br>08/01/2021      | HML-2020-Alger-Ma-224-CES  | Alger-Marquette Community Action Board<br>1125 Commerce Drive<br>Marquette, MI 49855-0000                   | \$55,503            |
| Midland<br>08/01/2021        | HML-2020-Midland -93-CES   | Midland Area Homes, Inc.<br>205 S Saginaw Rd<br>Midland, MI 48640   | \$12,065            |
| Newaygo<br>08/01/2021        | HML-2020-TrueNort-334-CES  | TrueNorth Community Services<br>6308 S. Warner P.O. Box 149<br>Fremont, MI 49412-9279                       | \$38,608            |

| <u>County</u>            | <u>Grant Number</u>        | <u>Organization Name &amp; Address</u>  | <u>Grant Amount</u>     |
|--------------------------|----------------------------|---|-------------------------|
| Shiawassee<br>08/01/2021 | HML-2020-Capital -267-CES  | Capital Area Community Services,<br>Incorporated<br>101 E. Willow<br>Lansing, MI 48906-4814 | \$14,478                |
| St. Clair<br>08/01/2021  | HML-2020-Blue Wat-270-CES  | Blue Water Community Action<br>3403 Lapeer Road<br>Port Huron, MI 48060                     | \$14,478                |
| St. Joseph<br>08/01/2021 | HML-2020-KeyStone-1295-CES | KeyStone Place, Inc.<br>505 E. Market St.<br>Centreville, MI 49032-9694                     | \$21,717                |
| Tuscola<br>08/01/2021    | HML-2020-Human De-69-CES   | Human Development Commission<br>429 Montague Avenue<br>Caro, MI 48723                       | \$24,130                |
| Total # of Grants: 21    |                            |   | Total Amount: \$588,776 |



# MSHDA

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

## M E M O R A N D U M

**TO:** Authority Members

**FROM:** Gary Heidel, Acting Executive Director *Gary Heidel*

**DATE:** October 21, 2021

**RE:** Administrative Board Approval for State Appropriated Funds

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This is to inform you that Michigan State Housing Development Authority ("Authority") staff will seek State Administrative Board ("Admin Board") approval to receive state-appropriated funds for the following programs:

Emergency Rental Assistance I ("ERA I");  
Emergency Rental Assistance II ("ERA II");  
Homeowner Assistance Fund ("HAF"); and  
Michigan Community Development Fund ("MCDF").

The Authority is not required to seek Admin Board approval when the Authority receives federal funds directly. The Authority is required, however, to seek Admin Board approval when it receives (a) funds from the state of Michigan or (b) federal funds through the state of Michigan. The Authority will receive funding for ERA I, ERA II, HAF and MCDF through the Michigan Department of Treasury—the Authority must therefore seek Admin Board approval to receive the ERA I, ERA II, HAF and MCDF funds.

By memorandum and resolution dated December 21, 1992, authority to apply for non-Authority funds was delegated to the Executive Director. Pursuant to this delegation, I will direct Authority staff to apply for the funds and confirm whether the Authority received Admin Board approval through quarterly delegated action reports.



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**MICHIGAN STATE HOUSING  
DEVELOPMENT AUTHORITY**

**Single-Family Mortgage Revenue Bonds**

**Post-Sale Report**

**\$288,595,000**

**2021 Series A (Fixed Rate, Non-AMT)  
2021 Series B (Fixed Rate, Federally Taxable)**

**September 23, 2021**

**NEW ISSUE****RATINGS:** See “Ratings” herein.

*In the opinion of Bond Counsel and the Attorney General of the State of Michigan, under existing law, (i) interest on the 2021 Series A Bonds (as defined below) is excluded from gross income for federal income tax purposes to the extent and subject to the conditions described herein; (ii) interest on the 2021 Series A Bonds is not treated as an item of tax preference for purposes of the federal alternative minimum tax; (iii) the Offered Bonds (as defined below), and the interest thereon, are exempt from all state, city, county or other taxation provided by the laws of the State of Michigan except for estate and gift taxes and taxes on transfers; and (iv) interest on the 2021 Series B Bonds (as defined below) is not excluded from gross income for federal income tax purposes. See “Tax Matters” herein.*

**\$288,595,000****MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY****Single-Family Mortgage Revenue Bonds****Social Bonds****\$177,570,000****2021 Series A (Non-AMT)****\$111,025,000****2021 Series B (Federally Taxable)****Price/Yield: As shown on inside cover page****Maturity Dates: As shown on inside cover page****Dated: Date of Delivery**

The 2021 Series A Bonds (the “2021 Series A Bonds”) and the 2021 Series B Bonds (the “2021 Series B Bonds”) and collectively, with the 2021 Series A Bonds, the “Offered Bonds”) will bear interest from their dated date to their maturity or prior redemption at the respective rates set forth on the inside cover page. Interest on the Offered Bonds is payable on December 1, 2021, and thereafter on each June 1 and December 1. The Offered Bonds are deliverable only as fully-registered bonds without coupons in book-entry form, registered to Cede & Co., as nominee of The Depository Trust Company (“DTC”), New York, New York, to which payments of principal and interest will be made. Individual purchases of Offered Bonds may be made in the principal maturity amount of \$5,000 or any integral multiple thereof. See EXHIBIT I — “BOOK- ENTRY ONLY” herein. U.S. Bank National Association, Lansing, Michigan, is the Trustee with respect to the Bonds (as defined herein).

The Offered Bonds are subject to redemption prior to maturity, including redemption at par, as described herein.

The Authority has no taxing power. The State of Michigan is not liable on the Bonds and the Bonds are not a debt of the State of Michigan. Subject to any agreements now or hereafter made with the owners of any other notes or bonds of the Authority pledging any particular receipts or revenues, the Bonds shall be general obligations of the Authority, and the full faith and credit of the Authority are pledged to the payment of the principal or redemption price of and interest on the Bonds. In addition, the Pledged Property established by the General Resolution, including all mortgage loans financed under the General Resolution, is pledged to the payment of the principal or redemption price of and interest on the Bonds.

The Offered Bonds will be issued for the purposes of (i) financing the acquisition of new single-family mortgage loans and down payment assistance loans, (ii) if required to satisfy the Capital Reserve Fund Requirement, making a deposit to the Capital Reserve Fund, and (iii) at the discretion of the Authority, paying the costs of issuance of the Offered Bonds. Although the Authority is authorized to use proceeds of the 2021 Series B Bonds to finance home improvement loans insured under the FHA Title I Property Insurance Loan program, it does not expect to do so.

This cover page contains certain information for quick reference only. It is not a summary of the Offered Bonds. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

*The Offered Bonds are offered when, as and if issued and received by the underwriters named below (collectively, the “Underwriters”), subject to prior sale, withdrawal or modification of the offer without notice. The issuance of the Offered Bonds is subject to the approval of legality by Dykema Gossett PLLC and Miller, Canfield, Paddock and Stone, P.L.C., Bond Counsel to the Authority, and the Attorney General of the State of Michigan. Certain legal matters will be passed on for the Underwriters by their counsel, Hawkins Delafield & Wood LLP. The Underwriters intend, but are not obligated, to make a market in the Offered Bonds. For information concerning the terms of the Underwriters’ compensation, see “Underwriting” herein. It is expected that the Offered Bonds will be available for delivery through the facilities of DTC on or about August 31, 2021.*

**Barclays****BofA Securities****Citigroup****J.P. Morgan****Morgan Stanley****Raymond James****Wells Fargo Securities**

Dated: July 30, 2021

## MATURITY SCHEDULE

### \$177,570,000 2021 Series A Bonds (Non-AMT)

\$33,440,000 2021 Series A Serial Bonds

Price of All 2021 Series A Serial Bonds: Par

| Maturity Date    | Principal Amount | Interest Rate | CUSIP <sup>†</sup> | Maturity Date    | Principal Amount | Interest Rate | CUSIP <sup>†</sup> |
|------------------|------------------|---------------|--------------------|------------------|------------------|---------------|--------------------|
| December 1, 2021 | \$ 300,000       | 0.150%        | 594654MW2          | June 1, 2027     | \$1,755,000      | 1.000%        | 594654NH4          |
| June 1, 2022     | 1,405,000        | 0.200         | 594654MX0          | December 1, 2027 | 1,785,000        | 1.100         | 594654NJ0          |
| December 1, 2022 | 1,470,000        | 0.250         | 594654MY8          | June 1, 2028     | 1,820,000        | 1.250         | 594654NK7          |
| June 1, 2023     | 1,500,000        | 0.300         | 594654MZ5          | December 1, 2028 | 1,855,000        | 1.375         | 594654NL5          |
| December 1, 2023 | 1,530,000        | 0.350         | 594654NA9          | June 1, 2029     | 1,890,000        | 1.500         | 594654NM3          |
| June 1, 2024     | 1,560,000        | 0.400         | 594654NB7          | December 1, 2029 | 1,925,000        | 1.600         | 594654NN1          |
| December 1, 2024 | 1,590,000        | 0.500         | 594654NC5          | June 1, 2030     | 1,960,000        | 1.700         | 594654NP6          |
| June 1, 2025     | 1,625,000        | 0.650         | 594654ND3          | December 1, 2030 | 2,000,000        | 1.750         | 594654NQ4          |
| December 1, 2025 | 1,650,000        | 0.700         | 594654NE1          | June 1, 2031     | 1,200,000        | 1.800         | 594654NR2          |
| June 1, 2026     | 1,680,000        | 0.800         | 594654NF8          | December 1, 2031 | 1,225,000        | 1.850         | 594654NS0          |
| December 1, 2026 | 1,715,000        | 0.900         | 594654NG6          |                  |                  |               |                    |

\$13,620,000 1.950% 2021 Series A Term Bonds maturing December 1, 2036 @ 100.000% CUSIP<sup>†</sup>: 594654NT8

\$16,520,000 2.150% 2021 Series A Term Bonds maturing December 1, 2041 @ 100.000% CUSIP<sup>†</sup>: 594654NU5

\$22,175,000 2.350% 2021 Series A Term Bonds maturing December 1, 2046 @ 100.000% CUSIP<sup>†</sup>: 594654NV3

\$31,435,000 2.500% 2021 Series A Term Bonds maturing June 1, 2052 @ 100.000% CUSIP<sup>†</sup>: 594654NW1

\$60,380,000 3.000% 2021 Series A PAC Term Bonds (the “PAC Bonds”) maturing June 1, 2052 @ 110.403% CUSIP<sup>†</sup>: 594654NX9

### \$111,025,000 2021 Series B Bonds (Federally Taxable)

Price of All 2021 Series B Bonds: Par

\$30,350,000 2021 Series B Serial Bonds

| Maturity Date    | Principal Amount | Interest Rate | CUSIP <sup>†</sup> | Maturity Date    | Principal Amount | Interest Rate | CUSIP <sup>†</sup> |
|------------------|------------------|---------------|--------------------|------------------|------------------|---------------|--------------------|
| December 1, 2021 | \$ 205,000       | 0.276%        | 594654NY7          | June 1, 2028     | \$1,255,000      | 1.622%        | 594654PM1          |
| June 1, 2022     | 970,000          | 0.326         | 594654NZ4          | December 1, 2028 | 1,280,000        | 1.672         | 594654PN9          |
| December 1, 2022 | 1,020,000        | 0.346         | 594654PA7          | June 1, 2029     | 1,310,000        | 1.864         | 594654PP4          |
| June 1, 2023     | 1,040,000        | 0.436         | 594654PB5          | December 1, 2029 | 1,335,000        | 1.914         | 594654PQ2          |
| December 1, 2023 | 1,055,000        | 0.496         | 594654PC3          | June 1, 2030     | 1,360,000        | 1.964         | 594654PR0          |
| June 1, 2024     | 1,075,000        | 0.692         | 594654PD1          | December 1, 2030 | 1,385,000        | 2.014         | 594654PS8          |
| December 1, 2024 | 1,100,000        | 0.752         | 594654PE9          | June 1, 2031     | 1,415,000        | 2.064         | 594654PT6          |
| June 1, 2025     | 1,120,000        | 0.958         | 594654PF6          | December 1, 2031 | 1,440,000        | 2.114         | 594654PU3          |
| December 1, 2025 | 1,145,000        | 1.038         | 594654PG4          | June 1, 2032     | 1,470,000        | 2.164         | 594654PV1          |
| June 1, 2026     | 1,165,000        | 1.118         | 594654PH2          | December 1, 2032 | 1,495,000        | 2.214         | 594654PW9          |
| December 1, 2026 | 1,185,000        | 1.198         | 594654PJ8          | June 1, 2033     | 1,525,000        | 2.264         | 594654PX7          |
| June 1, 2027     | 1,210,000        | 1.412         | 594654PK5          | December 1, 2033 | 1,555,000        | 2.304         | 594654PY5          |
| December 1, 2027 | 1,235,000        | 1.512         | 594654PL3          |                  |                  |               |                    |

\$9,985,000 2.444% 2021 Series B Term Bonds maturing December 1, 2036 CUSIP<sup>†</sup>: 594654PZ2

\$19,425,000 2.658% 2021 Series B Term Bonds maturing December 1, 2041 CUSIP<sup>†</sup>: 594654QA6

\$23,560,000 2.808% 2021 Series B Term Bonds maturing December 1, 2046 CUSIP<sup>†</sup>: 594654QB4

\$27,705,000 2.898% 2021 Series B Term Bonds maturing June 1, 2052 CUSIP<sup>†</sup>: 594654QC2

<sup>†</sup> CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by the CUSIP Service Bureau, operated by Standard & Poor's, a division of The McGrawHill Companies, Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services Bureau. This CUSIP number has been assigned by an independent company not affiliated with the Authority and is included solely for the convenience of the registered owners of the applicable Offered Bonds. The Authority and the Underwriters are not responsible for the selection or uses of the CUSIP number, and no representation is made as to its correctness by the Authority and the Underwriters of the Offered Bonds or as included herein. The CUSIP number for a specific maturity and interest rate of a Series is subject to being changed after the issuance of the Offered Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities and interest rates of a Series of the Offered Bonds.

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## SECTION 1

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### Bond Sale Report

**\$288,595,000**

**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY**

**Single-Family Mortgage Revenue Bonds**

**\$177,570,000 2021 Series A (Fixed Rate, Non-AMT)**

**\$111,025,000 2021 Series B (Fixed Rate, Federally Taxable)**

**Bond Sale Report**

***Summary***

- The 2021 Series A and B bonds financed \$266.207 million in single family mortgages (as well as to up \$16.734 million of 0% downpayment assistance loans) at mortgage rates ranging from 3.25% to 4.125%, with 30-year terms. The transaction also provided for a deposit to the Capital Reserve Fund of \$9.267 million and up to \$2.669 million for costs of issuance. The bond issue included:
  - Only fixed rate bonds – enhancing the financial flexibility of the Single-Family Mortgage Revenue Bond general resolution to withstand future rating agency cash flow stress scenarios and to build resilience for future financings, as may be needed.
  - ✓ MSHDA’s floating rate liabilities continue to decline in proportion to total debt under the Single-Family Mortgage Revenue Bond resolution. When 2021 Series AB closed, floating rate debt fell to 17.0% of total liabilities under the resolution.
  - \$60.38 million in premium planned amortization class (“PAC”) bonds.
    - ✓ The \$6.281 million bond premium was available to finance mortgages and downpayment assistance loans, to add to the Capital Reserve Fund, or to pay a portion of the transaction costs.
    - ✓ The PAC bond was designed to reduce the size and interest costs of the conventional term bonds.
- Series A is anticipated to earn a 1.122% spread (of a maximum allowable of 1.125%) over the life of the bonds under the transaction’s fixed tax plan. Series B is expected to earn a spread of 1.983%. (Future bond redemptions are likely to permit MSHDA to realize greater returns.)
- The bonds priced and closed to meet mortgage commitments and new loan funding needs through November 2021.
- The issue established competitive bond rates, benefitting from institutional and national and Michigan retail investor support. (Section 2 compares recent housing bond issues.)
- Underwriting fees were consistent with MSHDA’s and industry practices as well as sales compensation reported for other recent comparable housing issues. (See Section 3.)

### **Key Steps**

- Series A: Retail/Institutional Order Period: Thursday morning, July 29, 2021
- Series B: Indications of Interest Period (investor order indications based on preliminary spreads to US Treasury benchmarks): Thursday morning, July 29, 2021  
Launch (order period with revised UST spreads): Thursday afternoon  
Rate Setting (final coupons as spreads to UST yields): 4:30 PM, Thursday
- Bond Closing: Tuesday, August 31, 2021

### **Market Conditions**

*US Treasuries.* On Thursday July 29, the 10-year treasury bond yield closed the day at 1.27%, up 0.35% from the end of 2020. The 30-year treasury closed at 1.92%, higher by 0.27% from yearend. The high-quality G.O. Municipal Market Daily Index (the “MMD”) finished the day of pricing with the 10-year MMD at 0.82%, 0.09% above yearend. The 30-year MMD closed at 1.39%, unchanged from the end of December.

Overall, the trend to higher yields over the first half of 2021 was driven by an easing of investors’ flight to the safety of US Treasuries based on an improved assessment of the US economy’s outlook in the face of the coronavirus pandemic. The Federal Reserve’s aggressive monetary support and heavy fiscal stimulus were important factors. Despite higher-than-expected inflation and a sharply expanding federal deficit, in July higher yields were moderated by the rapid spread of the delta variant and a clearer recognition of its threat. (See rate table on the next page. Graphs in Section 6 also show key rate trends.)

*Municipals.* Although municipal bond yields closely follow treasury bond yields, the relationship has been most disrupted by high profile municipal credit events, international investment flows, US tax law changes, and flights to the safety of US Treasuries in times of capital markets turmoil (such as during the pandemic). Additional factors include:

- **Supply.** Total municipal bond new issuance through July 2021 was up 2.0% compared to the same period of 2020. For the week of MSHDA’s SFMRB 2021 Series AB offering, *The Bond Buyer*’s 30-day visible supply stood at \$10.7 billion – 7.4% lower than the average for the prior year.
- **Demand.** Since early 2019, record net mutual funds inflows and heavy redemptions of outstanding bonds boosted demand for new issues, keeping munis attractive relative to treasuries. After the arrival of the pandemic in early 2020, net inflows to mutual funds turned negative in March and April, returning positive in mid-May and remaining positive since.
- **Credit.** After March 2020, credit and liquidity fears – fanned by the pandemic’s disruption of the US economy and capital markets – drove the spread between 30-year AAA-rated GOs and Baa-rated GOs sharply higher (from approximately 0.63% to more than 1.60%). Since the 2<sup>nd</sup> quarter 2020, this spread reverted toward its prior level, as the outlook of the US economy brightened. Investors reaching for yield have pushed this spread close to 0.60%, recently.
- **Ratios.** With the improvement of the economic outlook, spreads between the 10-year MMD index yield and the 10-year treasury bond yield and between the 30-year MMD and the 30-year treasury have fallen to their most favorable levels in years.

Selected daily market closing yields are shown below. Benchmark high quality tax-exempt MMD Index levels and relevant US Treasury yields are compared. Recent MSHDA bond offerings and certain other dates are noted. (10-year treasury yields closed at their all-time low of 0.52% on August 4, 2020, and 30-year treasuries set a close-of-business low of 0.99% on March 9, 2020.)

| Yearend or Bond Pricing | Date     | 10-Year Treasury | 10-Year MMD | MMD / Treasury Ratio | 30-Year Treasury | 30-Year MMD | MMD / Treasury Ratio |
|-------------------------|----------|------------------|-------------|----------------------|------------------|-------------|----------------------|
| Yearend 2016            | 12/30/16 | 2.43%            | 2.31%       | 95.1%                | 3.05%            | 3.04%       | 99.7%                |
| Yearend 2017            | 12/29/17 | 2.41%            | 1.98%       | 82.2%                | 2.74%            | 2.54%       | 92.7%                |
| Yearend 2018            | 12/31/18 | 2.69%            | 2.28%       | 84.8%                | 3.02%            | 3.02%       | 100.0%               |
| SFMRB '19 A             | 3/13/19  | 2.61%            | 2.05%       | 78.5%                | 3.01%            | 2.87%       | 95.3%                |
| RHRB '19 A              | 7/10/19  | 2.12%            | 1.61%       | 75.9%                | 2.64%            | 2.28%       | 86.4%                |
| SFMRB '19 BC            | 10/8/19  | 1.54%            | 1.32%       | 85.7%                | 2.04%            | 1.91%       | 93.6%                |
| Yearend 2019            | 12/31/19 | 1.91%            | 1.44%       | 75.4%                | 2.37%            | 2.09%       | 88.2%                |
| SFMRB '20 AB            | 6/3/20   | 0.76%            | 0.84%       | 110.5%               | 1.55%            | 1.65%       | 106.5%               |
| RHRB '20 AB             | 10/14/20 | 0.72%            | 0.95%       | 131.9%               | 1.50%            | 1.73%       | 115.3%               |
| SFMRB '20 CD            | 10/29/20 | 0.83%            | 0.93%       | 112.0%               | 1.62%            | 1.71%       | 105.6%               |
| Yearend 2020            | 12/31/20 | 0.92%            | 0.71%       | 77.2%                | 1.65%            | 1.39%       | 84.2%                |
| RHRB '21 AB             | 6/3/21   | 1.62%            | 0.98%       | 60.5%                | 2.30%            | 1.50%       | 65.2%                |
| SFMRB '21 AB            | 7/29/21  | 1.27%            | 0.82%       | 64.6%                | 1.92%            | 1.39%       | 72.4%                |

*Housing Volume.* 2020 brought the highest volume of housing bond issues in more than a decade, and the January-July 2021 pace is 22.8% ahead of 2020. Strong economics for traditional housing issues have continued. Pass-through bonds backed by MBS find investor support. The Fed's heavy mortgage bond purchases in response to the market shocks from the pandemic strengthened the market for single family MBS sales in the "to be announced ("TBA") market, easing pressure on single family bond issuance. However, low absolute rates and market uncertainty have eroded investor demand for intermediate serial and term maturities.

*Michigan Volume.* Through July, overall Michigan bond issuance was down 19.8% against the same period in 2020, or \$5.4 billion in 2021 compared to \$6.7 billion in 2020.

*Underwriting Syndicate.* MSHDA's underwriting team for the Series AB bonds was led by Barclays, as book-running senior manager. BofA Securities, Citigroup, JP Morgan, Morgan Stanley, Raymond James, and Wells Fargo served as co-managers, in addition to a five-member selling group.

### ***Strategy for the Sale***

With greater market volatility and more limited retail participation since the arrival of the pandemic, the recommended offering strategy was to begin with a day of pre-marketing to investors (on Wednesday, July 28) and, then, to conduct a combined retail and institutional order period and complete the sale in one day (on Thursday July 29). Allotment priority was maintained for Michigan and then, national retail orders – ahead of net designated institutional orders. Of tax-exempt Series A, after subtracting the \$60.38 million PAC suitable only for institutional investors, \$33.44 million in serial bonds and \$117.19 million of non-PAC term bonds were available for retail buyers. In view of the weakened state of retail investor support,



there was no advantage to hold back term bonds from retail allotments to preserve attractive block sizes for institutions (or to maximize pricing flexibility for the Authority).

The taxable Series B bonds were expected to attract relatively little retail interest and were offered beginning with an ‘indications of interest’ period based on preliminary spreads to respective US Treasury reference maturities, followed by a ‘launch’ (an order period based on revised final spreads), allotment of bonds to orders, and rate setting to finalize bond yields based on US Treasuries as of a time certain.

By late-July, when the Authority’s Single-Family 2021 Series AB bonds were offered, low absolute rates and an uncertain interest rate outlook had depressed demand for longer serial and intermediate term bonds, especially among retail investors. Fifteen-year term bonds attracted buyers, and the higher yields of the longest bonds drew interest, but intermediate terms were often underwritten with limited support from institutional or retail investors.

In a low interest rate environment with an unusually attractive spread between the rates on mortgage loan commitments and expected bond yields, MSHDA’s overall financing strategy for 2021 AB was to pursue a fixed rate bond issue. Under a fixed plan of finance for tax purposes and drawing upon the Authority’s financing strategy for its other recent single-family issues, this approach offered MSHDA strong earnings spreads, the prospect of higher economic returns as bonds are redeemed in the future, and low financing risks. The taxable 2021 Series B bond component provided flexibility to meet the allowable tax-exempt bond spread requirements in the US tax code, while preserving private activity bond volume cap authority. The PAC bond was designed to be redeemed pro rata, avoiding relying on the Single-Family general resolution to meet rating agency stress scenarios while building liquidity for times when a more aggressive PAC structure may offer greater savings.

To avoid a heavy in-state issuance calendar scheduled for the following week, as well as potential market reaction to the FOMC’s meeting announcement on Wednesday afternoon, the underwriters suggested offering the bonds in one day, beginning Thursday morning. Retail orders would retain priority in allotments of the Series A tax-exempt bonds, while all of the bonds were also offered to institutions. Net designated orders would have first priority in the allotments of the Series B taxable bonds.

Recognizing in other recent offerings the narrowing focus of retail investors on earlier serial bonds, all of the Series A tax-exempt bonds were available to retail except that the Series A PAC bonds were not offered to retail, as is customary. Michigan retail investors had first priority and out-of-state “national” retail buyers had second priority in purchasing the Series A tax-exempt bonds.

### ***Results of the Sale***

By midday \$43.475 million in retail orders were recorded for Series A, and \$3.1 million in retail orders were booked for Series B. Michigan buyers accounted for 16.0% of the Series A retail orders, and 99.8% of the Series A retail orders were for serial bonds (with 89.3% in maturities before 2028).

Combined retail and institutional orders for Series A totaled \$265.2 million. During the Series B indications of interest order period, based on preliminary spreads to reference US Treasury

yields, \$328.44 million in orders were logged. At the end of the morning, in view of total retail and institutional priority orders (excluding managers' orders for stock), the sale was reviewed and adjusted as follows:

- 1)** The Series A serial bonds were lightly subscribed in 12/1/2028 through 2033, ranging from 0 to 0.7 times the amounts of available bonds, with unsold serial balances of \$12.855 million. Lower yields by 0.05% were proposed for 12/1/2021, 6/1/2021, 6/1/2024 and 2027. Yield increases were recommended of 0.025% in 12/1/2028 and 0.05% from 2029 through 2031. With \$100,000 in total orders, the \$5.125 million in 2032 and 2033 serials were proposed to be added to the 2036 term bond sinking fund.
- 2)** The Series A 2036, 2041, 2046 and 2052 term bonds were subscribed 2.5, 2.1, 0.0 and 0.4 times, respectively, with unsold balances in the latter two maturities totaling \$39.955 million. After successive rounds of discussions with several fund investors the underwriters proposed a 0.05% yield increase in 2046 and a 0.10% rise in 2052.
- 3)** The \$60.38 million PAC bond was 1.5 times subscribed based on orders from two primary investors. No change in yield was recommended.
- 4)** Only \$1.11 million in unsold Series B taxable bond balances remained in the serial maturity in 6/1/2029. Indicated spreads to reference treasuries were proposed to be lowered from 0.01% to 0.06% for maturities through 2023, for 12/1/2025, and for 12/1/2033. Guidance was trimmed an additional 0.02% to 0.03% for the maturities through 2023.
- 5)** The Series B 2036, 2041, 2046, and 2052 term bond maturities were 3.5, 2.5, 2.7, and 3.4 times subscribed, respectively. Cuts of 0.02% were suggested in the offering spreads for the 2036, 2041, and 2046 maturities and of 0.03% for the 2052 term.
- 6)** The senior manager offered to underwrite the Bonds with the above changes, and MSHDA accepted.

Throughout the order period, changes in the 2021 Series AB pricing and in the high-quality benchmark interpolated Municipal Market Data Index (the "iMMD") and relevant US Treasury reference yields are detailed on the next pages. Trending slightly lower, the benchmarks were little changed during the period of the offering, though they do not show the spreading apathy in response to the low absolute rates, especially among tax-exempt investors and reflected in the weakness of orders for longer serials and intermediate term bonds. The taxable bonds attracted broader investor interest, visible in their deeper order subscriptions.

# CHANGES DURING PRICING, MSHDA SF MRB 2021 SERIES A NON-AMT

| Premarketing Scale |       |                 |                        | Preliminary Pricing Wire |                 |                        |                    |      |                   | Order Period Review Call |                     |                    | Repricing Wire                            |                 |                        |                          |      |                   |
|--------------------|-------|-----------------|------------------------|--------------------------|-----------------|------------------------|--------------------|------|-------------------|--------------------------|---------------------|--------------------|---|-----------------|------------------------|--------------------------|------|-------------------|
| 7/28 10:35 AM EDT  |       |                 |                        | 7/29 8:56 AM EDT         |                 |                        | Change from Premkt |      |                   | 7/29 12:45 PM EDT        |                     |                    | 7/29 12:48 PM EDT                         |                 |                        | Change from Prelim. Wire |      |                   |
| Maturity           | Yield | iMMD<br>7/27/21 | Spread to<br>7/27 iMMD | Yield                    | iMMD<br>7/28/21 | Spread to<br>7/28 iMMD | Yield              | iMMD | Spread<br>to iMMD | Par<br>Offered           | Non-Stock<br>Orders | Subscript<br>Level | Yield                                     | iMMD<br>7/28/21 | Spread to<br>7/28 iMMD | Yield                    | iMMD | Spread<br>to iMMD |
| 12/1/21            | 0.15  |                 |                        | 0.2                      |                 |                        | +5                 |      |                   | 300                      | 1,795               | 6.0x               | 0.15                                      |                 |                        | -5                       |      |                   |
| 6/1/22             | 0.2   | 0.05            | +15                    | 0.25                     | 0.05            | +20                    | +5                 | -    | +5                | 1,405                    | 6,205               | 4.4x               | 0.2                                       | 0.05            | +15                    | -5                       | -    | -5                |
| 12/1/22            | 0.2   | 0.05            | +15                    | 0.25                     | 0.05            | +20                    | +5                 | -    | +5                | 1,470                    | 5,300               | 3.6x               | 0.25                                      | 0.05            | +20                    | -                        | -    | -                 |
| 6/1/23             | 0.25  | 0.06            | +19                    | 0.3                      | 0.06            | +24                    | +5                 | -    | +5                | 1,500                    | 3,455               | 2.3x               | 0.3                                       | 0.06            | +24                    | -                        | -    | -                 |
| 12/1/23            | 0.3   | 0.07            | +23                    | 0.35                     | 0.07            | +28                    | +5                 | -    | +5                | 1,530                    | 3,930               | 2.6x               | 0.35                                      | 0.07            | +28                    | -                        | -    | -                 |
| 6/1/24             | 0.4   | 0.12            | +28                    | 0.45                     | 0.12            | +33                    | +5                 | -    | +5                | 1,560                    | 5,765               | 3.7x               | 0.4                                       | 0.12            | +28                    | -5                       | -    | -5                |
| 12/1/24            | 0.45  | 0.15            | +30                    | 0.5                      | 0.15            | +35                    | +5                 | -    | +5                | 1,590                    | 4,030               | 2.5x               | 0.5                                       | 0.15            | +35                    | -                        | -    | -                 |
| 6/1/25             | 0.6   | 0.21            | +39                    | 0.65                     | 0.21            | +44                    | +5                 | -    | +5                | 1,625                    | 3,915               | 2.4x               | 0.65                                      | 0.21            | +44                    | -                        | -    | -                 |
| 12/1/25            | 0.65  | 0.26            | +39                    | 0.7                      | 0.26            | +44                    | +5                 | -    | +5                | 1,650                    | 2,050               | 1.2x               | 0.7                                       | 0.26            | +44                    | -                        | -    | -                 |
| 6/1/26             | 0.75  | 0.35            | +40                    | 0.8                      | 0.35            | +45                    | +5                 | -    | +5                | 1,680                    | 2,285               | 1.4x               | 0.8                                       | 0.35            | +45                    | -                        | -    | -                 |
| 12/1/26            | 0.85  | 0.38            | +47                    | 0.9                      | 0.38            | +52                    | +5                 | -    | +5                | 1,715                    | 3,805               | 2.2x               | 0.9                                       | 0.38            | +52                    | -                        | -    | -                 |
| 6/1/27             | 1.0   | 0.45            | +55                    | 1.05                     | 0.45            | +60                    | +5                 | -    | +5                | 1,755                    | 7,250               | 4.1x               | 1.0                                       | 0.45            | +55                    | -5                       | -    | -5                |
| 12/1/27            | 1.1   | 0.51            | +59                    | 1.15                     | 0.51            | +64                    | +5                 | -    | +5                | 1,785                    | 8,330               | 4.7x               | 1.1                                       | 0.51            | +59                    | -5                       | -    | -5                |
| 6/1/28             | 1.2   | 0.56            | +64                    | 1.25                     | 0.56            | +69                    | +5                 | -    | +5                | 1,820                    | 2,820               | 1.5x               | 1.25                                      | 0.56            | +69                    | -                        | -    | -                 |
| 12/1/28            | 1.3   | 0.61            | +69                    | 1.35                     | 0.61            | +74                    | +5                 | -    | +5                | 1,855                    | 575                 | 0.3x               | 1.375                                     | 0.61            | +76.5                  | +2.5                     | -    | +2.5              |
| 6/1/29             | 1.4   | 0.65            | +75                    | 1.45                     | 0.65            | +80                    | +5                 | -    | +5                | 1,890                    | 10                  | 0.0x               | 1.5                                       | 0.65            | +85                    | +5                       | -    | +5                |
| 12/1/29            | 1.5   | 0.70            | +80                    | 1.55                     | 0.70            | +85                    | +5                 | -    | +5                | 1,925                    | 910                 | 0.5x               | 1.6                                       | 0.70            | +90                    | +5                       | -    | +5                |
| 6/1/30             | 1.6   | 0.76            | +84                    | 1.65                     | 0.76            | +89                    | +5                 | -    | +5                | 1,960                    | 1,400               | 0.7x               | 1.7                                       | 0.76            | +94                    | +5                       | -    | +5                |
| 12/1/30            | 1.65  | 0.78            | +87                    | 1.7                      | 0.78            | +92                    | +5                 | -    | +5                | 2,000                    | 545                 | 0.3x               | 1.75                                      | 0.78            | +97                    | +5                       | -    | +5                |
| 6/1/31             | 1.7   | 0.82            | +88                    | 1.75                     | 0.82            | +93                    | +5                 | -    | +5                | 1,200                    | 400                 | 0.3x               | 1.8                                       | 0.82            | +98                    | +5                       | -    | +5                |
| 12/1/31            | 1.75  | 0.84            | +91                    | 1.8                      | 0.84            | +96                    | +5                 | -    | +5                | 1,225                    | 395                 | 0.3x               | 1.85                                      | 0.84            | +101                   | +5                       | -    | +5                |
| 6/1/32             | 1.8   | 0.87            | +93                    | 1.85                     | 0.87            | +98                    | +5                 | -    | +5                | 1,245                    | 0                   | 0.0x               | (6/32 - 12/33 moved into 12/36 term bond) |                 |                        |                          |      |                   |
| 12/1/32            | 1.8   | 0.89            | +91                    | 1.85                     | 0.89            | +96                    | +5                 | -    | +5                | 1,270                    | 0                   | 0.0x               |   |                 |                        |                          |      |                   |
| 6/1/33             | 1.85  | 0.91            | +94                    | 1.875                    | 0.91            | +96.5                  | +2.5               | -    | +2.5              | 1,295                    | 0                   | 0.0x               |   |                 |                        |                          |      |                   |
| 12/1/33            | 1.85  | 0.93            | +92                    | 1.875                    | 0.93            | +94.5                  | +2.5               | -    | +2.5              | 1,325                    | 0                   | 0.0x               |   |                 |                        |                          |      |                   |
| 12/1/36            | 1.95  | 1.00            | +95                    | 1.95                     | 1.00            | +95                    | -                  | -    | -                 | 8,485                    | 21,270              | 2.5x               | 1.95                                      | 1.00            | +95                    | -                        | -    | -                 |
| 12/1/41            | 2.15  | 1.15            | +100                   | 2.15                     | 1.17            | +98                    | -                  | +2   | -2                | 16,520                   | 34,795              | 2.1x               | 2.15                                      | 1.17            | +98                    | -                        | -    | -                 |
| 12/1/46            | 2.3   | 1.30            | +100                   | 2.3                      | 1.32            | +98                    | -                  | +2   | -2                | 22,175                   | 500                 | 0.0x               | 2.35                                      | 1.32            | +103                   | +5                       | -    | +5                |
| 6/1/52             | 2.4   | 1.35            | +105 to 30yr           | 2.4                      | 1.37            | +103 to 30yr           | -                  | +2   | -2                | 31,435                   | 13,155              | 0.4x               | 2.5                                       | 1.37            | +113 to 30yr           | +10                      | -    | +10               |
| 6/1/52 PAC         | 0.86  | 0.36            | +50 to 5yr             | 0.86                     | 0.36            | +50 to 5yr             | -                  | -    | -                 | 60,380                   | 130,610             | 2.2x               | 0.86                                      | 0.36            | +50 to 5yr             | -                        | -    | -                 |
| TOTAL              |       |                 |                        |                          |                 |                        |                    |      |                   | 177,570                  | 265,500             | 1.5x               |   |                 |                        |                          |      |                   |

# CHANGES DURING PRICING, MSHDA SF MRB 2021 SERIES B TAXABLE

| Maturity | Premarketing Scale | Preliminary Pricing Wire |                          |                  |                 | Price Guidance Wire |                          | Launch Wire      |                        |
|----------|--------------------|--------------------------|--------------------------|------------------|-----------------|---------------------|--------------------------|------------------|------------------------|
|          | 7/28 10:35 AM EDT  | 7/29 8:58 AM EDT         | Order Period Review Call |                  |                 | 7/29 12:48 PM EDT   | Change from Prelim. Wire | 7/29 1:49 PM EDT | Change from Guid. Wire |
|          | Spread to UST      | Spread to UST            | Par Offered              | Non-Stock Orders | Subscript Level | Spread to UST       | Spread to UST            | Spread to UST    | Spread to UST          |
| 12/1/21  | +15                | +15                      | 205                      | 1,655            | 8.1x            | +11                 | -4                       | +9               | -2                     |
| 6/1/22   | +20                | +20                      | 970                      | 7,075            | 7.3x            | +16                 | -4                       | +14              | -2                     |
| 12/1/22  | +25                | +25                      | 1,020                    | 11,530           | 11.3x           | +19                 | -6                       | +16              | -3                     |
| 6/1/23   | +30                | +30                      | 1,040                    | 7,450            | 7.2x            | +27                 | -3                       | +25              | -2                     |
| 12/1/23  | +35                | +35                      | 1,055                    | 5,805            | 5.5x            | +33                 | -2                       | +31              | -2                     |
| 6/1/24   | +35                | +35                      | 1,075                    | 4,500            | 4.2x            | +32                 | -3                       | +32              | -                      |
| 12/1/24  | +40                | +40                      | 1,100                    | 3,800            | 3.5x            | +38                 | -2                       | +38              | -                      |
| 6/1/25   | +25                | +25                      | 1,120                    | 2,940            | 2.6x            | +24                 | -1                       | +24              | -                      |
| 12/1/25  | +35                | +35                      | 1,145                    | 4,765            | 4.2x            | +33                 | -2                       | +32              | -1                     |
| 6/1/26   | +40                | +40                      | 1,165                    | 2,330            | 2.0x            | +40                 | -                        | +40              | -                      |
| 12/1/26  | +50                | +50                      | 1,185                    | 4,055            | 3.4x            | +48                 | -2                       | +48              | -                      |
| 6/1/27   | +40                | +40                      | 1,210                    | 2,920            | 2.4x            | +39                 | -1                       | +39              | -                      |
| 12/1/27  | +50                | +50                      | 1,235                    | 3,120            | 2.5x            | +49                 | -1                       | +49              | -                      |
| 6/1/28   | +60                | +60                      | 1,255                    | 1,955            | 1.6x            | +60                 | -                        | +60              | -                      |
| 12/1/28  | +65                | +65                      | 1,280                    | 1,980            | 1.5x            | +65                 | -                        | +65              | -                      |
| 6/1/29   | +60                | +60                      | 1,310                    | 0                | 0.0x            | +60                 | -                        | +60              | -                      |
| 12/1/29  | +65                | +65                      | 1,335                    | 1,340            | 1.0x            | +65                 | -                        | +65              | -                      |
| 6/1/30   | +70                | +70                      | 1,360                    | 1,460            | 1.1x            | +70                 | -                        | +70              | -                      |
| 12/1/30  | +75                | +75                      | 1,385                    | 2,875            | 2.1x            | +75                 | -                        | +75              | -                      |
| 6/1/31   | +80                | +80                      | 1,415                    | 3,085            | 2.2x            | +80                 | -                        | +80              | -                      |
| 12/1/31  | +85                | +85                      | 1,440                    | 3,110            | 2.2x            | +85                 | -                        | +85              | -                      |
| 6/1/32   | +90                | +90                      | 1,470                    | 2,940            | 2.0x            | +90                 | -                        | +90              | -                      |
| 12/1/32  | +95                | +95                      | 1,495                    | 3,350            | 2.2x            | +95                 | -                        | +95              | -                      |
| 6/1/33   | +100               | +100                     | 1,525                    | 3,050            | 2.0x            | +100                | -                        | +100             | -                      |
| 12/1/33  | +105               | +105                     | 1,555                    | 4,135            | 2.7x            | +104                | -1                       | +104             | -                      |
| 12/1/36  | +120               | +120                     | 9,985                    | 34,905           | 3.5x            | +118                | -2                       | +118             | -                      |
| 12/1/41  | +75                | +75                      | 19,425                   | 58,350           | 3.0x            | +73                 | -2                       | +73              | -                      |
| 12/1/46  | +90                | +90                      | 23,560                   | 64,120           | 2.7x            | +88                 | -2                       | +88              | -                      |
| 6/1/52   | +100               | +100                     | 27,705                   | 93,120           | 3.4x            | +97                 | -3                       | +97              | -                      |
| TOTAL    |                    |                          | 111,025                  | 341,720          | 3.1x            |                     |                          |                  |                        |

*Buyers.* Priority retail orders for Series A were allotted 69.7% of the serial bonds. The managers underwrote \$7,820,000 of unsold tax-exempt Series A Bonds (or 4.4%), while \$1,110,000 of the Series B Bonds were underwritten (or 1.0%). Overall, 17 discrete institutional investors submitted orders for Series A Bonds, and 29 institutions ordered Series B Bonds, including two cities, a state HFA, and SMAs.

Noting that institutional and professionally directed retail orders are customarily placed with the book-running senior manager, a summary of orders and final allotments of bonds for each underwriting syndicate member is presented in Section 5. Based on final allotments of bonds, buyers of the bonds are summarized as follows:

| <b><i>Bond Issue Component</i></b><br><b><i>2021 Series A</i></b> (Fixed Rate, Non-AMT)   | <b><i>Allotments to Bond Buyers *</i></b>   |
|---|---|
| 6/1/2021 – 12/1/2031 Serial Bonds (at par)<br>0.15% to 1.85% \$33,440,000   | 50.5% - National Retail Investors;<br>23.4% - Underwritten by the Managers;<br>19.1% - Michigan Retail Investors;<br>7.0% - 1 Fund. |
| 12/1/2036 Term Bonds (at par)<br>1.95% \$13,620,000   | 99.3% - 3 Funds;<br>0.7% - National Retail Investors.   |
| 12/1/2041 Term Bonds (at par)<br>2.15% \$16,520,000   | 99.8% - 3 Funds;<br>0.2% - National Retail Investors.   |
| 12/1/2046 Term Bonds (at par)<br>2.35% \$22,175,000   | 97.8% - 1 Fund;<br>2.2% - 1 Insurance Company.  |
| 6/1/2052 Term Bonds (at par)<br>2.50% \$31,435,000  | 99.5% - 3 Funds;<br>0.5% - National Retail Investors.   |
| 6/1/2052 PAC Bonds (at 110.403%)<br>3.00% (to yield 0.86%) \$60,380,000<br>with an expected average life of 5 years for<br>prepayment speeds from 75% to 500% PSA | 100.0% - 4 Funds.<br><br>(Not offered to retail)  |

| <b><i>Bond Issue Component</i></b><br><b><i>2021 Series B</i></b> (Fixed Rate, Federally Taxable) (at par) | <b><i>Allotments to Bond Buyers *</i></b>   |
|--|---|
| 12/1/2021 – 12/1/2033 Serial Bonds<br>0.276% to 2.304% \$30,350,000  | 59.2% - 9 Funds;<br>20.6% - 2 Advisors;<br>8.2% - 3 Municipal Entities;<br>3.7% - Underwritten by the Managers;<br>3.1% - 1 Bank;<br>2.8% - Retail;<br>1.7% - 1 Insurance Company;<br>0.7% - 1 Trust Company. |
| 12/1/2036 Term Bonds<br>2.444% \$9,985,000   | 71.2% - 3 Funds;<br>28.8% - 1 Insurance Company.  |
| 12/1/2041 Term Bonds<br>2.658% \$19,425,000  | 100.0% - 4 Funds.   |
| 12/1/2046 Term Bonds<br>2.808% \$23,560,000  | 96.8% - 3 Funds;<br>3.2% - 1 Insurance Company.   |
| 6/1/2052 Term Bonds<br>2.898% \$27,705,000   | 89.2% - 3 Funds;<br>10.8% - 1 Insurance Company.  |

***Selling Group Performance***

RW Baird led the selling group in winning allotments for orders. (See Section 5, second column from the right under the heading “Total Allots.”)

\* “Funds” include municipal bond funds, money managers, a hedge fund, and a proprietary trader. “Retail” includes individual retail and separately managed accounts, both Michigan and national.

## SECTION 2

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### 2021 Series AB – Comparisons of Yields with Other Housing Issues

- Issue size, rating, and timing differences limit the usefulness of the issues shown in the following listings of other housing bond transactions priced in the days and months preceding MSHDA's. In addition to the most recent prior Authority issues, the following table compares 2021 A yields by maturity against other non-AMT single-family housing bond offerings. (The table is titled "Non-AMT Single Family Housing Bond Pricing Comparables, Past Three Months Plus Earlier MSHDA." A listing of taxable housing bond series follows the tax-exempt table and is titled "Taxable Housing Bond Pricing Comparables, Past Six Months Plus Earlier MSHDA." Taxable multifamily series are included to provide more points of reference.)
- It should be noted that it can be difficult to compare directly issues sold even at the same time. Size, structure, credit features, state, and market characteristics of the other bond offerings shown vary in important respects. Historically, rental housing bonds have been expected to trade at narrower spreads (lower yields) to the benchmark high grade Municipal Market Daily Index (the "MMD") than single-family issues, though differences in credit complexity, risk concentration, and the shorter expected average lives of traditional single-family bonds often weigh against such generalizations.
- Offerings from the state HFAs in Virginia, Connecticut, New York, Oregon, Maryland, and Massachusetts are located in "specialty states" and often achieve tighter spreads to the MMD benchmarks. Based on higher state income tax rates and/or the relative abundance of in-state investment capital, this advantage tends to affect most yields on shorter serials and term bond maturities.
- Spreads of tax-exempt housing bonds to the MMD benchmarks narrowed in bond offerings in the first quarter of 2021 in response to light supplies. Term bond spreads tightened as much as 0.10%. By the third quarter new housing issue volume had increased and lower market yields prompted investors to press for moderately wider spreads. MMD spreads of term bonds reverted close to the levels of last fall.

### **Series A**

- In the week of July 26 prior to MSHDA's offering (rated Aa2/AA+), other state housing finance agency single family issues from Texas (led by Barclays, rated Aaa/AA+) and New Jersey (led by Jefferies, rated Aa2/AA) were sold. Similar to bonds under the Authority's Single-Family resolution, the New Jersey issue was backed by 'whole loans,' or unsecuritized mortgages. The Texas bonds are secured by guaranteed mortgage-backed securities (or "MBS").
- With similar term bond structures, the Texas issue had a higher rating (based on MBS backing), and both the Texas and New Jersey offerings were modestly smaller. The senior managers for those issues reported both offerings had struggled to find investors and establish market-clearing prices. The Texas and New Jersey issues offered non-callable premium serials to establish lower yields. Compared to par bonds of the New Jersey issue, MSHDA's Series A term bond yields were 0.0% to 0.05% higher than bonds of the same maturities.
- The MMD spread achieved on MSHDA's \$60.38 million PAC was competitive with the other PACs with 5-year average lives priced in preceding weeks. The yield on the



Series A PAC was within 0.03% of the lowest yield of any other 5-year average life PAC sold in July, including those with higher ratings.

### **Series B**

- Taxable municipal housing bond offerings are much less frequent than tax-exempt housing bonds, and in the table of ‘comparables’ we have included multifamily issues to provide additional context. While rating and specialty state differences apply, the spreads to the respective treasury yields on MSHDA’s taxable Series B term bonds were within 0.06% of the New Hampshire spreads for a Aaa-rated issue sold nine days earlier.

**Size.** The large sizes of Series A and B components affected the spreads to their respective benchmarks differently. In the market for taxable bonds, size may be an advantage in assuring investors broader research coverage and greater future secondary market activity. Despite five times greater size, Series B spreads closely tracked those of the New Hampshire taxable offering.

Though the larger size of the Series A offering had a greater effect in marginally raising the issue’s tax-exempt bond yields compared to the New Jersey offering, the flexibility of the combined tax-exempt/taxable structure easily met the Authority’s objectives for the transaction in funding MSHDA’s mortgage pipeline at attractive net earning spreads – and in realizing attractive future returns.

**Timing.** Housing bond issuance in 2021 was up 22.8% through July against the same period in 2020. Overall municipal issuance during this period was higher by 2.0%.

Only two other single family issues were in the market the same week as MSHDA’s, but as the Fed’s Open Market Committee meeting conclusion approached on Wednesday, institutional investors grew more cautious and reluctant to commit. While the taxable bond sale was not discernably impacted, the tax-exempt pricing was more challenging due to the low absolute yields, prompting investor apathy, especially for longer serials and intermediate term bonds. Though both retail and institutional investors have grown more hesitant at today’s low rates, it has been an unusually attractive time for issuers to sell bonds.

In addition to the commitment of the underwriters to stock unsold bonds, institutional support was important in setting attractive yields for the 2021 Series AB bonds.

**NON-AMT SINGLE FAMILY HOUSING BOND PRICING COMPARABLES, PAST THREE MONTHS PLUS EARLIER MSHDA**

| Pricing Date                 | 7/29/21  |                | 7/27/21  |                | 7/27/21   |                | 7/27/21  |                | 7/22/21   |                | 7/21/21  |                | 7/20/21  |                |
|------------------------------|--|----------------|--|----------------|---|----------------|--|----------------|---|----------------|--|----------------|--|----------------|
| Amount                       | \$177,570,000  |                | \$32,000,000   |                | \$135,800,000   |                | \$150,000,000  |                | \$65,000,000  |                | \$140,000,000  |                | \$36,230,000   |                |
| Issuer                       | Michigan SHDA  |                | Montana BOH  |                | New Jersey HMFA   |                | Texas DHCA   |                | Missouri HDC  |                | Florida HFC  |                | Colorado HFA   |                |
| Series                       | 2021 Series A  |                | 2021 Series B  |                | 2021 Series H   |                | 2021 Series A  |                | 2021 Series B   |                | 2021 Series 2  |                | 2021 Series H  |                |
| Program                      | Single Family / Negotiated   |                | Single Family / Negotiated   |                | Single Family / Negotiated  |                | Single Family / Negotiated   |                | Single Family / Negotiated  |                | Single Family / Negotiated   |                | Single Family / Negotiated   |                |
| Rating(s)                    | Aa2 / AA+ / -  |                | Aa1 / AA+ / -  |                | Aa2 / AA / -  |                | Aaa / AA+ / -  |                | - / AA+ / -   |                | Aaa / - / -  |                | Aaa / AAA / -  |                |
| Tax Status                   | Non-AMT  |                | Non-AMT  |                | Non-AMT   |                | Non-AMT  |                | Non-AMT   |                | Non-AMT  |                | Non-AMT  |                |
| Maturity Year ('21 pricings) | Coupon/ Yield  | Spread to iMMD | Coupon/ Yield  | Spread to iMMD | Coupon/ Yield   | Spread to iMMD | Coupon/ Yield  | Spread to iMMD | Coupon/ Yield   | Spread to iMMD | Coupon/ Yield  | Spread to iMMD | Coupon/ Yield  | Spread to iMMD |
| 0 2021                       | 0.150  |                |  |                |   |                |  |                |   |                |  |                |  |                |
| 1 2022                       | 0.20 / 0.25  | +15 / +20      | 0.10 / 0.15  | +5 / +10       | 0.15 / 0.15*  | +10 / +10      | 0.125  | +8             | 0.10 / 0.15   | +5 / +9        |  |                |  |                |
| 2 2023                       | 0.30 / 0.35  | +24 / +28      | 0.250  | +19 / +18      | 0.20 / 0.30*  | +14 / +23      | 0.15 / 0.20  | +10 / +14      | 0.20 / 0.25   | +13 / +15      | 0.20 / 0.25  | +13 / +15      |  |                |
| 3 2024                       | 0.40 / 0.50  | +28 / +35      | 0.35 / 0.40  | +23 / +25      | 0.35 / 0.45*  | +25 / +31      | 0.30 / 0.35  | +21 / +21      | 0.30 / 0.40   | +16 / +22      | 0.35 / 0.40  | +23 / +22      | 0.450  | +24            |
| 4 2025                       | 0.65 / 0.70  | +44 / +44      | 0.550  | +34 / +29      | 0.55 / 0.60*  | +36 / +36      | 0.50 / 0.55  | +33 / +31      | 0.50 / 0.55   | +27 / +27      | 0.50 / 0.55  | +30 / +28      | 0.50 / 0.55  | +23 / +23      |
| 5 2026                       | 0.80 / 0.90  | +45 / +52      | 0.65 / 0.75  | +30 / +37      | 0.70 / 0.75*  | +37 / +38      | 0.60 / 0.70  | +29 / +33      | 0.65 / 0.75   | +30 / +36      | 0.60 / 0.70  | +29 / +33      | 0.65 / 0.75  | +28 / +34      |
| 6 2027                       | 1.00 / 1.10  | +55 / +59      | 0.90 / 1.00  | +45 / +49      | 0.95 / 0.93*  | +53 / +44      | 0.75* / 0.82*  | +34 / +34      | 0.90 / 1.00   | +45 / +49      | 0.85 / 0.95  | +46 / +48      | 0.90 / 1.00  | +43 / +47      |
| 7 2028                       | 1.25 / 1.375   | +69 / +77      | 1.10 / 1.20  | +54 / +59      | 0.98* / 1.10*   | +43 / +51      | 0.90* / 0.97*  | +36 / +38      | 1.05 / 1.15   | +49 / +54      | 1.05 / 1.15  | +51 / +57      | 1.10 / 1.20  | +54 / +59      |
| 8 2029                       | 1.50 / 1.60  | +85 / +90      | 1.35 / 1.40  | +70 / +70      | 1.23* / 1.33*   | +60 / +65      | 1.15* / 1.21*  | +52 / +53      | 1.30 / 1.35   | +65 / +65      | 1.35 / 1.40  | +73 / +73      | 1.30 / 1.40  | +65 / +70      |
| 9 2030                       | 1.70 / 1.75  | +94 / +97      | 1.50 / 1.55  | +74 / +77      | 1.38* / 1.60  | +64 / +83      | 1.55 / 1.60  | +81 / +83      | 1.45 / 1.50   | +69 / +71      | 1.50 / 1.55  | +77 / +78      | 1.50 / 1.55  | +76 / +78      |
| 10 2031                      | 1.80 / 1.85  | +98 / +101     | 1.60 / 1.65  | +78 / +81      | 1.70 / 1.75   | +89 / +92      | 1.65 / 1.70  | +85 / +87      | 1.60 / 1.65   | +78 / +80      | 1.60 / 1.65  | +80 / +82      | 1.60 / 1.65  | +80 / +82      |
| 11 2032                      |  |                | 1.70 / 1.75  | +83 / +86      | 1.800   | +93 / +92      | 1.750  | +89 / +87      | 1.700   | +82 / +80      | 1.700  | +83            | 1.700  | +84 / +82      |
| 12 2033                      |  |                | 1.800  | +89 / +87      | 1.850   | +94 / +93      | 1.800  | +90 / +88      | 1.750   | +83 / +81      | 1.750  | +83            | 1.750  | +86 / +84      |
| 13 2034                      |  |                |  |                |   |                |  |                |   |                |  |                |  |                |
| 14 2035                      |  |                |  |                |   |                |  |                |   |                |  |                |  |                |
| 15 2036                      | 1.950  | +93            | 1.850  | +85            | 1.900   | +90            | 1.850  | +85            | 1.800   | +79            | 1.800  | +79            | 1.800  | +82            |
| 16 2037                      |  |                |  |                |   |                |  |                |   |                |  |                |  |                |
| 17 2038                      |  |                |  |                |   |                |  |                |   |                |  |                |  |                |
| 18 2039                      |  |                |  |                |   |                |  |                |   |                |  |                |  |                |
| 19 2040                      |  |                |  |                |   |                |  |                |   |                |  |                |  |                |
| 20 2041                      | 2.150  | +96            | 2.000  | +85            | 2.150   | +100           | 2.050  | +90            | 2.000   | +84            | 2.050  | +89            |  |                |
| 21 2042                      |  |                |  |                |   |                |  |                |   |                |  |                | 2.000  | +85            |
| 22 2043                      |  |                |  |                |   |                |  |                |   |                |  |                |  |                |
| 23 2044                      |  |                |  |                |   |                |  |                |   |                |  |                |  |                |
| 24 2045                      |  |                |  |                |   |                |  |                |   |                |  |                |  |                |
| 25 2046                      | 2.350  | +101           | 2.200  | +90            | 2.300   | +100           | 2.220  | +92            | 2.200   | +89            | 2.200  | +89            |  |                |
| 26 2047                      |  |                |  |                |   |                |  |                |   |                |  |                |  |                |
| 27 2048                      |  |                |  |                |   |                |  |                |   |                |  |                |  |                |
| 28 2049                      |  |                |  |                |   |                |  |                |   |                |  |                |  |                |
| 29 2050                      |  |                |  |                |   |                |  |                |   |                |  |                |  |                |
| 30 2051                      |  |                | 2.300  | +95            |   |                | 2.320  | +97            | 2.300   | +94            |  |                |  |                |
| 31 2052                      |  |                |  |                |   |                |  |                |   |                |  |                |  |                |
| PAC                          | 3.00C/0.86Y +50 to 5yr   |                | 3.00C/0.82Y +46 to 5yr   |                | 3.00C/0.97Y +50 to 6yr  |                | 3.00C/0.85Y +44 to 5.5yr   |                | 3.00C/0.84Y +45 to 4.9yr  |                | 3.00C/0.83Y +45 to 5.1yr   |                | 3.00C/0.85Y +46 to 5yr   |                |
| Notes                        | 6/1/52 PAC bond has 3% coupon priced at 110.403 to yield 0.86% and has an average life of 5.0 years from 75-500% PSA |                | 12/1/51 PAC bond has 3% coupon priced at 110.620 to yield 0.82% and has an average life of 5.0 years from 100-500% PSA |                | * 10/22,23,24,25,26 are 4% cpns and 10/27-4/30 are 5% cpns; 9/50 PAC is 3% cpn at 111.733 to yield 0.97% w/6.0 yr avg life 100-300% PSA |                | * '27-'29 5% cpns, 9/46 2.25% cpn, 9/51 2.35% cpn; 3/52 PAC is 3% cpn at 111.478 to yld 0.85% w/5.5 yr avg life 100-400% PSA |                | 5/1/52 PAC bond has 3% coupon priced at 110.263 to yield 0.84% and has an average life of 4.9 years from 100-400% PSA |                | 7/1/52 PAC bond has 3% coupon priced at 110.758 to yield 0.83% and has an average life of 5.10 years from 100-400% PSA |                | 11/1/51 PAC bond has 3% coupon priced at 110.425 to yield 0.85% and has an average life of 5 years from 100-400% PSA |                |
| Maturity Dates               | 12/1 and 6/1   |                | 6/1 and 12/1   |                | 4/1 and 10/1  |                | 9/1 and 3/1  |                | 5/1 and 11/1  |                | 1/1 and 7/1  |                | 11/1 and 5/1   |                |
| Call Provisions              | 12/1/30 at par   |                | 12/1/30 at par   |                | 10/1/30 at par  |                | 3/1/30 at par/102.159 PAC  |                | 5/1/30 at par   |                | 7/1/30 at par  |                | 5/1/30 at par  |                |
| Mkt Index                    | BBi / RBi 2.04% / 2.40%  |                | BBi / RBi 2.03% / 2.39%  |                | BBi / RBi 2.03% / 2.39%   |                | BBi / RBi 2.03% / 2.39%  |                | BBi / RBi 2.03% / 2.39%   |                | BBi / RBi 2.04% / 2.40%  |                | BBi / RBi 2.04% / 2.40%  |                |
| Sr Manager                   | Barclays   |                | RBC Capital Markets  |                | Jefferies   |                | Barclays   |                | Stifel  |                | RBC Capital Markets  |                | Jefferies  |                |

**NON-AMT SINGLE FAMILY HOUSING BOND PRICING COMPARABLES, PAST THREE MONTHS PLUS EARLIER MSHDA**

| Pricing Date        | 7/20/21  |           | 7/15/21                    |         | 7/14/21  |           | 7/8/21  |           | 6/30/21  |           | 6/30/21   |           | 6/10/21   |           |
|---------------------|--|-----------|----------------------------|---------|--|-----------|---|-----------|--|-----------|---|-----------|---|-----------|
| Amount              | \$170,000,000  |           | \$40,000,000               |         | \$119,285,000  |           | \$100,000,000   |           | \$129,270,000  |           | \$149,765,000   |           | \$41,750,000  |           |
| Issuer              | Maryland DHCD  |           | Maine SHA                  |         | South Dakota HDA   |           | New Mexico MFA  |           | Nebraska IFA   |           | SONYMA  |           | Nevada HD   |           |
| Series              | 2021 Series B  |           | 2021 Series C              |         | 2021 Series B  |           | 2021 Series C   |           | 2021 Series C  |           | Series 233  |           | Series 2021A  |           |
| Program             | Single Family / Negotiated   |           | Single Family / Negotiated |         | Single Family / Negotiated   |           | Single Family / Negotiated  |           | Single Family / Negotiated   |           | Single Family / Negotiated  |           | Single Family / Negotiated  |           |
| Rating(s)           | Aa1 / - / AA   |           | Aa1 / AA+ / -              |         | Aaa / AAA / -  |           | Aaa / - / -   |           | - / AA+ / -  |           | Aa1 / - / -   |           | - / AA+ / -   |           |
| Tax Status          | Non-AMT  |           | Non-AMT                    |         | Non-AMT  |           | Non-AMT   |           | Non-AMT  |           | Non-AMT   |           | Non-AMT   |           |
| Maturity            | Coupon/  | Spread    | Coupon/                    | Spread  | Coupon/  | Spread    | Coupon/   | Spread    | Coupon/  | Spread    | Coupon/   | Spread    | Coupon/   | Spread    |
| Year (*21 pricings) | Yield  | to iMMD   | Yield                      | to iMMD | Yield  | to iMMD   | Yield   | to iMMD   | Yield  | to iMMD   | Yield   | to iMMD   | Yield   | to iMMD   |
| 0 2021              |  |           |                            |         | 0.100  |           |   |           |  |           |   |           |   |           |
| 1 2022              | 0.125 / 0.15   | +8 / +9   | 0.150                      | +7      | 0.125 / 0.20   | +6 / +12  | 0.200   | +12       | 0.15* / 0.18*  | +4 / +5   |   |           | 0.200   | +14       |
| 2 2023              | 0.20 / 0.25  | +12 / +14 | 0.300                      | +17     | 0.25 / 0.30  | +15 / +17 | 0.250   | +16 / +13 | 0.28* / 0.31*  | +13 / +13 |   |           | 0.300   | +20       |
| 3 2024              | 0.35 / 0.40  | +21 / +20 | 0.450                      | +23     | 0.40 / 0.45  | +23 / +23 | 0.375 / 0.45  | +24 / +25 | 0.38* / 0.44*  | +17 / +17 |   |           | 0.400   | +21       |
| 4 2025              | 0.50 / 0.55  | +26 / +24 | 0.600                      | +27     | 0.50 / 0.55  | +22 / +22 | 0.55 / 0.60   | +31 / +29 | 0.53* / 0.60*  | +21 / +21 |   |           | 0.600   | +29       |
| 5 2026              | 0.65 / 0.75  | +30 / +35 | 0.850                      | +43     | 0.65 / 0.75  | +27 / +33 | 0.70 / 0.80   | +35 / +39 | 0.70* / 0.75*  | +24 / +24 |   |           | 0.70 / 0.75   | +32 / +33 |
| 6 2027              | 0.90 / 1.00  | +46 / +49 | 1.000                      | +44     | 0.95 / 1.00  | +45 / +44 | 0.95 / 1.05   | +51 / +53 | 0.82* / 0.91*  | +26 / +28 |   |           | 0.950   | +40       |
| 7 2028              | 1.10 / 1.20  | +55 / +60 | 1.200                      | +56     | 1.10 / 1.20  | +51 / +56 | 1.15 / 1.25   | +58 / +64 | 0.98* / 1.06*  | +31 / +34 | 1.350   | +62       | 1.200   | +54       |
| 8 2029              | 1.35 / 1.40  | +71 / +71 | 1.400                      | +67     | 1.35 / 1.40  | +67 / +67 | 1.35 / 1.45   | +70 / +75 | 1.15* / 1.22*  | +36 / +38 | 1.45 / 1.55   | +66 / +71 | 1.400   | +64       |
| 9 2030              | 1.50 / 1.55  | +77 / +79 | 1.550                      | +75     | 1.50 / 1.55  | +73 / +75 | 1.50 / 1.55   | +76 / +77 | 1.55 / 1.65  | +65 / +72 | 1.65 / 1.75   | +75 / +82 | 1.600   | +75       |
| 10 2031             | 1.60 / 1.65  | +81 / +83 | 1.650                      | +79     | 1.60 / 1.65  | +77 / +79 | 1.60 / 1.625  | +79 / +79 | 1.70 / 1.75  | +73 / +75 | 1.85 / 1.90   | +87 / +90 |   |           |
| 11 2032             | 1.70 / 1.75  | +85 / +88 | 1.750                      | +84     | 1.70 / 1.75  | +81 / +84 | 1.70 / 1.75   | +82 / +86 | 1.85 / 1.90  | +81 / +84 | 1.95 / 2.00   | +90 / +94 |   |           |
| 12 2033             | 1.800  | +92 / +90 | 1.800                      | +86     | 1.80 / 1.85  | +88 / +91 | 1.80 / 1.85   | +89 / +93 | 1.95 / 2.00  | +88 / +91 | 2.050   | +97 / +96 | 1.850   | +89       |
| 13 2034             |  |           |                            |         |  |           |   |           |  |           |   |           |   |           |
| 14 2035             |  |           |                            |         |  |           |   |           |  |           |   |           |   |           |
| 15 2036             | 1.875  | +90       | 1.900                      | +89     | 1.850  | +84       | 1.875   | +87       | 2.100  | +93       | 2.200   | +103      | 2.000   | +96       |
| 16 2037             |  |           |                            |         |  |           |   |           |  |           |   |           |   |           |
| 17 2038             |  |           |                            |         |  |           |   |           |  |           |   |           |   |           |
| 18 2039             |  |           |                            |         |  |           |   |           |  |           |   |           |   |           |
| 19 2040             |  |           |                            |         |  |           |   |           |  |           |   |           |   |           |
| 20 2041             | 2.100  | +98       | 2.150                      | +100    | 2.050  | +90       | 2.100   | +95       | 2.300  | +98       |   |           | 2.200   | +100      |
| 21 2042             |  |           |                            |         |  |           |   |           |  |           |   |           |   |           |
| 22 2043             | 2.150  | +97       |                            |         |  |           |   |           |  |           |   |           |   |           |
| 23 2044             |  |           |                            |         |  |           |   |           |  |           |   |           |   |           |
| 24 2045             |  |           |                            |         |  |           |   |           |  |           |   |           |   |           |
| 25 2046             |  |           | 2.300                      | +100    |  |           | 2.250   | +97       |  |           |   |           | 2.350   | +101      |
| 26 2047             |  |           |                            |         |  |           |   |           |  |           |   |           |   |           |
| 27 2048             |  |           |                            |         |  |           |   |           |  |           |   |           |   |           |
| 28 2049             |  |           |                            |         |  |           |   |           |  |           |   |           |   |           |
| 29 2050             |  |           |                            |         |  |           |   |           |  |           |   |           |   |           |
| 30 2051             |  |           |                            |         |  |           | 2.350   | +102      |  |           |   |           | 2.450   | +106      |
| 31 2052             |  |           |                            |         |  |           |   |           |  |           |   |           |   |           |
| PAC                 | 3.00C/0.83Y +44 to 5yr   |           |                            |         | 3.00C/0.86Y +46 to 5yr   |           | 3.00C/0.86Y +45 to 5yr  |           | 3.00C/0.96Y +46 to 5yr   |           | 3.00C/0.96Y +48 to 4.8yr  |           | 3.00C/0.85Y +45 to 5yr  |           |
| Notes               | 9/1/51 PAC bond has 3% coupon priced at 110.56 to yield 0.83% and has an average life of 5 years from 100-400% PSA |           |                            |         | 11/1/51 PAC bond has 3% coupon priced at 110.406 to yield 0.86% and has an average life of 5 years from 100-400% PSA |           | 1/1/52 PAC bond has 3% coupon priced at 110.393 to yield 0.86% and has an average life of 5 years from 100-400% PSA |           | * '22-'29 are 5% cpns not subject to redempt (lock out); 9/50 PAC is 3% cpn at 109.877 to yield 0.96% w/5.0 yr avg life 100-400% PSA |           | 10/1/45 PAC bond has 3% coupon priced at 109.491 to yield 0.96% and has an average life of 4.8 years from 60-500% PSA |           | 4/1/51 PAC bond has 3% coupon priced at 110.429 to yield 0.85% and has an average life of 5 years from 100-400% PSA |           |
| Maturity Dates      | 3/1 and 9/1  |           | 11/15                      |         | 11/1 and 5/1   |           | 7/1 and 1/1   |           | 3/1 and 9/1  |           | 10/1 and 4/1  |           | 10/1 + 4/1/26, 4/1/51   |           |
| Call Provisions     | 3/1/30 at par  |           | 11/15/30 at par            |         | 5/1/30 at par  |           | 7/1/30 at par   |           | 9/1/30 at par/101.873 PAC  |           | 4/1/30 at par   |           | 10/1/30 at par/101.07 PAC   |           |
| Mkt Index           | BBi / RBI 2.04% / 2.40%  |           | BBi / RBI 2.04% / 2.40%    |         | BBi / RBI 2.04% / 2.40%  |           | BBi / RBI 2.04% / 2.40%   |           | BBi / RBI 2.16% / 2.53%  |           | BBi / RBI 2.16% / 2.53%   |           | BBi / RBI 2.07% / 2.43%   |           |
| Sr Manager          | BofA   |           | Barclays                   |         | Wells Fargo  |           | RBC Capital Markets   |           | J.P. Morgan  |           | Barclays  |           | J.P. Morgan   |           |

**NON-AMT SINGLE FAMILY HOUSING BOND PRICING COMPARABLES, PAST THREE MONTHS PLUS EARLIER MSHDA**

| Pricing Date        | 6/9/21  |            |   | 6/9/21                     |   | 6/8/21                     |  | 6/2/21                     |   | 5/25/21                    |   | 5/19/21                    |  | 5/19/21                    |            |
|---------------------|---|------------|---|----------------------------|---|----------------------------|--|----------------------------|---|----------------------------|---|----------------------------|--|----------------------------|------------|
| Amount              | \$97,095,000  |            |   | \$22,750,000               |   | \$125,000,000              |  | \$99,205,000               |   | \$128,155,000              |   | \$154,145,000              |  | \$136,675,000              |            |
| Issuer              | Mississippi HC  |            |   | Montgomery Co. HOC (MD)    |   | Illinois HDA               |  | Indiana HCDA               |   | Wisconsin HEDA             |   | Minnesota HFA              |  | Pennsylvania HFA           |            |
| Series              | Series 2021B  |            |   | 2021 Series A              |   | 2021 Series B              |  | 2021 Series B              |   | 2021 Series A              |   | 2021 Series D              |  | Series 2021-135A           |            |
| Program             | Single Family / Negotiated  |            |   | Single Family / Negotiated |   | Single Family / Negotiated |  | Single Family / Negotiated |   | Single Family / Negotiated |   | Single Family / Negotiated |  | Single Family / Negotiated |            |
| Rating(s)           | Aaa / - / -   |            |   | Aa2 / - / -                |   | Aaa / - / -                |  | Aaa / - / AAA              |   | Aa2 / AA / -               |   | Aa1 / AA+ / -              |  | Aa1 / AA+ / -              |            |
| Tax Status          | Non-AMT   |            |   | Non-AMT                    |   | Non-AMT                    |  | Non-AMT                    |   | Non-AMT                    |   | Non-AMT                    |  | Non-AMT                    |            |
| Maturity            | Coupon/   | Spread     |   | Coupon/                    | Spread  | Coupon/                    | Spread   | Coupon/                    | Spread  | Coupon/                    | Spread  | Coupon/                    | Spread   | Coupon/                    | Spread     |
| Year (*21 pricings) | Yield   | to iMMD    |   | Yield                      | to iMMD   | Yield                      | to iMMD  | Yield                      | to iMMD   | Yield                      | to iMMD   | Yield                      | to iMMD  | Yield                      | to iMMD    |
| 0 2021              | 0.10*   |            |   |                            |   | 0.100                      |  |                            |   | 0.100                      |   |                            |  |                            |            |
| 1 2022              | 0.10* / 0.12*   | +4 / +6    |   |                            |   | 0.15 / 0.20                | +9 / +14   | 0.10 / 0.13                | +4 / +6   | 0.15 / 0.20                | +6 / +11  | 0.15 / 0.20                | +6 / +10   |                            |            |
| 2 2023              | 0.16* / 0.19*   | +7 / +7    |   |                            |   | 0.25 / 0.35                | +17 / +24  | 0.16 / 0.18                | +8 / +7   | 0.30 / 0.35                | +18 / +20   |                            |  |                            |            |
| 3 2024              | 0.30* / 0.35*   | +12 / +12  |   |                            |   | 0.40 / 0.45                | +22 / +22  | 0.25 / 0.31                | +9 / +9   | 0.45 / 0.50                | +23 / +23   |                            |  |                            |            |
| 4 2025              | 0.48* / 0.53*   | +18 / +18  |   |                            |   | 0.50 / 0.55                | +19 / +19  | 0.43 / 0.52                | +14 / +16   | 0.65 / 0.70                | +29 / +29   |                            |  |                            |            |
| 5 2026              | 0.59* / 0.62*   | +19 / +19  |   |                            |   | 0.70 / 0.75                | +29 / +30  | 0.60 / 0.66                | +17 / +17   | 0.80 / 0.85                | +32 / +33   |                            |  |                            |            |
| 6 2027              | 0.78* / 0.84*   | +27 / +27  |   | 0.85 / 0.95                | +41 / +43   | 0.85 / 0.95                | +32 / +35  | 0.76 / 0.85                | +22 / +23   | 1.05 / 1.10                | +46 / +45   | 0.95 / 1.05                | +39 / +41  |                            |            |
| 7 2028              | 0.94* / 1.00*   | +32 / +32  |   | 1.200                      | +57   | 1.05 / 1.20                | +40 / +49  | 0.95 / 1.02                | +27 / +29   | 1.25 / 1.35                | +53 / +58   | 1.20 / 1.30                | +50 / +54  |                            |            |
| 8 2029              | 1.30 / 1.40   | +57 / +62  |   | 1.30 / 1.40                | +61 / +66   | 1.30 / 1.40                | +54 / +59  | 1.30 / 1.40                | +51 / +56   | 1.45 / 1.55                | +62 / +67   | 1.40 / 1.50                | +59 / +64  |                            |            |
| 9 2030              | 1.50 / 1.55   | +66 / +69  |   | 1.50 / 1.55                | +70 / +71   | 1.50 / 1.55                | +63 / +65  | 1.50 / 1.55                | +60 / +62   | 1.65 / 1.70                | +71 / +73   | 1.60 / 1.65                | +68 / +69  | 1.570                      | +60        |
| 10 2031             | 1.60 / 1.65   | +71 / +74  |   | 1.70 / 1.75                | +84 / +86   | 1.65 / 1.70                | +72 / +75  | 1.60 / 1.65                | +65 / +67   | 1.80 / 1.85                | +80 / +82   | 1.80 / 1.85                | +82 / +83  | 1.74 / 1.78*               | +74 / +75  |
| 11 2032             | 1.75 / 1.80   | +83 / +86  |   | 1.80 / 1.85                | +89 / +93   | 1.75 / 1.80                | +78 / +82  | 1.75 / 1.80                | +75 / +78   | 1.90 / 1.95                | +85 / +88   | 1.95 / 2.00                | +91 / +94  | 1.84 / 1.89*               | +78 / +82  |
| 12 2033             | 1.85 / 1.875  | +90 / +91  |   | 1.875 / 1.90               | +94 / +95   | 1.85 / 1.875               | +85 / +87  | 1.85 / 1.875               | +81 / +83   |                            |   |                            |  | 1.93* / 1.96*              | +84 / +86  |
| 13 2034             |   |            |   |                            |   |                            |  |                            |   |                            |   |                            |  |                            |            |
| 14 2035             |   |            |   | 2.000                      | +99   |                            |  |                            |   |                            |   |                            |  |                            |            |
| 15 2036             | 1.920   | +88        |   |                            |   | 1.950                      | +86  | 1.900                      | +76   |                            |   | 2.019*                     | +83  | 2.03*                      | +84        |
| 16 2037             |   |            |   |                            |   |                            |  |                            |   |                            |   |                            |  |                            |            |
| 17 2038             |   |            |   |                            |   |                            |  |                            |   |                            |   |                            |  |                            |            |
| 18 2039             |   |            |   |                            |   |                            |  |                            |   |                            |   |                            |  |                            |            |
| 19 2040             |   |            |   |                            |   |                            |  |                            |   |                            |   |                            |  |                            |            |
| 20 2041             | 2.100   | +90        |   |                            |   | 2.150                      | +90  | 2.125                      | +82   |                            |   | 2.200                      | +81  | 2.250                      | +86        |
| 21 2042             |   |            |   |                            |   |                            |  |                            |   |                            |   |                            |  |                            |            |
| 22 2043             |   |            |   |                            |   |                            |  |                            |   |                            |   |                            |  |                            |            |
| 23 2044             |   |            |   |                            |   |                            |  |                            |   |                            |   |                            |  |                            |            |
| 24 2045             |   |            |   |                            |   |                            |  |                            |   |                            |   |                            |  |                            |            |
| 25 2046             |   |            |   |                            |   |                            |  |                            |   |                            |   | 2.375                      | +85  | 2.40*                      | +87        |
| 26 2047             |   |            |   |                            |   |                            |  |                            |   |                            |   |                            |  |                            |            |
| 27 2048             |   |            |   |                            |   |                            |  |                            |   |                            |   |                            |  |                            |            |
| 28 2049             |   |            |   |                            |   |                            |  |                            |   |                            |   |                            |  |                            |            |
| 29 2050             |   |            |   |                            |   |                            |  |                            |   |                            |   |                            |  | 2.48*                      | +91        |
| 30 2051             |   |            |   |                            |   |                            |  |                            |   |                            |   |                            |  |                            |            |
| 31 2052             |   |            |   |                            |   |                            |  |                            |   |                            |   | 2.450                      | +87 to 30yr  |                            |            |
| PAC                 | 3.00C/0.86Y   | +45 to 5yr |   | 3.00C/0.90Y                | +50 to 5yr  | 3.00C/0.87Y                | +44 to 5yr   | 3.00C/0.90Y                | +44 to 4.8yr  | 3.00C/0.95Y                | +45 to 5yr  | 3.00C/0.95Y                | +45 to 5yr   | 3.00C/0.85Y                | +47 to 4yr |
| Notes               | * '21-'28 are 5% cpns no redmp (lock out); '36 is 1.9% cpn; 6/51 PAC is 3% cpn at 110.404 to yield 0.86% w/5 yr avg life 100-500% PSA |            | 4/1/51 PAC bond has 3% coupon priced at 110.183 to yield 0.90% and has an average life of 5 years from 100-400% PSA |                            | 4/1/51 PAC bond has 3% coupon priced at 110.342 to yield 0.87% and has an average life of 5 years from 100-400% PSA |                            | * 1/22-7/28 are 5% cpns not subject to redempt (lock out); 7/50 PAC is 3% cpn at 109.795 to yield 0.90% w/ 4.8 year avg. life 100-500% PSA |                            | 3/1/52 PAC bond has 3% coupon priced at 109.925 to yield 0.95% and has an average life of 5 years from 100-500% PSA |                            | 7/1/36 is 2% coupon; 1/1/52 PAC is 3% coupon at 109.938 to yield 0.95% with 5 year avg. life 100-500% PSA |                            | * Cpns: 1.8% 10/31, 1.9% 10/32, 2% '33, 2.05% '36, 2.375% '46, 2.5% '50; '51 PAC is 3% cpn, 108.452, 0.85% yld, 4yr AL 75-500% PSA |                            |            |
| Maturity Dates      | 12/1 and 6/1  |            | 1/1 and 7/1   |                            | 10/1 and 4/1  |                            | 1/1 and 7/1  |                            | 9/1 and 3/1   |                            | 1/1 and 7/1   |                            | 10/1 and 4/1   |                            |            |
| Call Provisions     | 12/1/30 at par  |            | 7/1/30 at par   |                            | 4/1/30 at par/+adj PAC  |                            | 7/1/30 at par/101.045 PAC  |                            | 9/1/30 at par   |                            | 7/1/30 at par   |                            | 10/1/30 at par   |                            |            |
| Mkt Index           | BBi / RBi 2.18% / 2.54%   |            | BBi / RBi 2.18% / 2.54%   |                            | BBi / RBi 2.18% / 2.54%   |                            | BBi / RBi 2.20% / 2.56%  |                            | BBi / RBi 2.26% / 2.62%   |                            | BBi / RBi 2.28% / 2.64%   |                            | BBi / RBi 2.28% / 2.64%  |                            |            |
| Sr Manager          | Raymond James   |            | BofA  |                            | Jefferies   |                            | J.P. Morgan  |                            | RBC Capital Markets   |                            | RBC Capital Markets   |                            | Barclays   |                            |            |

**NON-AMT SINGLE FAMILY HOUSING BOND PRICING COMPARABLES, PAST THREE MONTHS PLUS EARLIER MSHDA**

| Pricing Date                 | 5/19/21   | 5/18/21  | 5/13/21  | 5/12/21  | 5/11/21   | 5/6/21  |
|------------------------------|---|--|--|--|---|---|
| Amount                       | \$8,000,000   | \$30,000,000   | \$120,000,000  | \$71,630,000   | \$92,080,000  | \$71,230,000  |
| Issuer                       | Pinellas Co. HFA (FL)   | West Virginia HDF  | North Dakota HFA   | Washington SHFC  | Iowa FA   | Massachusetts HFA   |
| Series                       | 2021 Series A   | 2021 Series A  | 2021 Series A  | 2021 Series 1N   | 2021 Series B   | Series 221  |
| Program                      | Single Family / Negotiated  | Single Family / Negotiated                                   | Single Family / Negotiated   | Single Family / Negotiated   | Single Family / Negotiated  | Single Family / Negotiated  |
| Rating(s)                    | Aaa / - / -   | Aaa / AAA / -  | Aa1 / - / -  | Aaa / - / -  | Aaa / AAA / -   | Aa1 / AA+ / -   |
| Tax Status                   | Non-AMT   | Non-AMT  | Non-AMT  | Non-AMT  | Non-AMT   | Non-AMT   |
| Maturity Year ('21 pricings) | Coupon/ Yield   | Spread to iMMD   | Coupon/ Yield  | Spread to iMMD   | Coupon/ Yield   | Spread to iMMD  |
| 0 2021                       |   |  |  |  | 0.125   | 0.10*   |
| 1 2022                       |   |  | 0.15 / 0.20  | +5 / +10   | 0.10 / 0.20   | +1 / +10  |
| 2 2023                       | 0.400   | +27 / +24  | 0.25 / 0.30  | +11 / +13  | 0.25 / 0.35   | +13 / +20   |
| 3 2024                       | 0.550   | +32 / +27  | 0.40 / 0.45  | +15 / +16  | 0.375 / 0.45  | +18 / +19   |
| 4 2025                       | 0.700   | +34 / +29  | 0.55 / 0.60  | +17 / +18  | 0.50 / 0.60   | +16 / +21   |
| 5 2026                       | 0.850   | +37 / +33  | 0.70 / 0.80  | +20 / +27  | 0.65 / 0.75   | +19 / +24   |
| 6 2027                       | 1.050   | +46 / +39  | 0.90 / 1.00  | +28 / +33  | 0.875 / 0.95  | +26 / +28   |
| 7 2028                       | 1.300   | +58 / +52  | 1.15 / 1.25  | +41 / +46  | 1.15 / 1.25   | +41 / +46   |
| 8 2029                       | 1.500   | +67 / +62  | 1.35 / 1.45  | +50 / +56  | 1.35 / 1.45   | +49 / +54   |
| 9 2030                       | 1.700   | +76 / +73  | 1.55 / 1.60  | +60 / +62  | 1.55 / 1.60   | +59 / +61   |
| 10 2031                      | 1.900   | +90 / +87  | 1.75 / 1.80  | +74 / +76  | 1.750   | +76 / +72   |
| 11 2032                      | 2.000   | +95 / +93  |  |  | 1.85 / 1.95   | +79 / +87   |
| 12 2033                      |   |  | 1.90* / 2.00   | +81 / +89  | 1.95*   | +85 / +84   |
| 13 2034                      |   |  |  |  |   |   |
| 14 2035                      |   |  |  |  |   |   |
| 15 2036                      | 2.125   | +94  | 2.03*  | +84  | 2.050   | +84   |
| 16 2037                      |   |  |  |  | 1.98*   | +77   |
| 17 2038                      |   |  |  |  |   |   |
| 18 2039                      |   |  |  |  |   |   |
| 19 2040                      |   |  |  |  |   |   |
| 20 2041                      | 2.300   | +91  | 2.23*  | +84  | 2.250   | +84   |
| 21 2042                      |   |  |  |  | 2.200   | +79   |
| 22 2043                      |   |  |  |  |   |   |
| 23 2044                      |   |  |  |  | 2.350   | +84   |
| 24 2045                      |   |  |  |  |   |   |
| 25 2046                      | 2.450   | +92  | 2.400  | +87  |   |   |
| 26 2047                      |   |  |  |  |   |   |
| 27 2048                      |   |  |  |  |   |   |
| 28 2049                      |   |  |  |  |   |   |
| 29 2050                      |   |  |  |  |   |   |
| 30 2051                      | 2.550   | +97  | 2.500  | +92  |   |   |
| 31 2052                      |   |  |  |  |   |   |
| PAC                          | 3.00C/1.05Y +55 to 4.9yr  |  | 3.00C/0.97Y +47 to 5yr   | 3.00C/0.94Y +45 to 5yr   | 3.00C/0.93Y +47 to 5yr  | 3.00C/0.92Y +47 to 5yr  |
| Notes                        | 3/1/52 PAC bond has 3% coupon priced at 109.199 to yield 1.05% and has an average life of 4.9 years from 100-400% PSA | * 5/1/33 and 11/1/36 are 2% coupons; 11/1/41 is 2.20% coupon | * 1/1/33 and 7/1/33 are 2% coupons; 1/1/52 PAC is 3% coupon at 109.826 to yield 0.97% with 5 year avg. life 100-400% PSA | * 6/1/33, 12/1/33, and 12/1/36 are 2% coupons; 12/1/49 PAC is 3% coupon at 109.994 to yield 0.94% with 5 year avg. life 100-400% PSA | * 7/1/36 is 2% coupon; 7/1/51 PAC is 3% coupon at 109.962 to yield 0.93% with 5 year avg. life 100-500% PSA | * 12/21-6/29 are 5% cpns not subject to redempt (lock out); 12/50 PAC is 3% cpn at 110.095 to yield 0.92% w/ 5.00 year avg. life 100-400% PSA |
| Maturity Dates               | 3/1 and 9/1   | 5/1 and 11/1   | 1/1 and 7/1  | 12/1 and 6/1   | 1/1 and 7/1   | 12/1 and 6/1  |
| Call Provisions              | 9/1/30 at par   | 5/1/30 at par  | 7/1/30 at par  | 6/1/30 at par  | 7/1/30 at par   | 6/1/30 at par   |
| Mkt Index                    | BBI / RBI 2.28% / 2.64%   | BBI / RBI 2.28% / 2.64%                                      | BBI / RBI 2.28% / 2.64%  | BBI / RBI 2.25% / 2.61%  | BBI / RBI 2.25% / 2.61%   | BBI / RBI 2.25% / 2.61%   |
| Sr Manager                   | RBC Capital Markets   | Raymond James  | RBC Capital Markets  | RBC Capital Markets  | RBC Capital Markets   | RBC Capital Markets   |

**NON-AMT SINGLE FAMILY HOUSING BOND PRICING COMPARABLES, PAST THREE MONTHS PLUS EARLIER MSHDA**

| Pricing Date        | 10/29/20   |                | 6/3/20   |             | 10/8/19   |              | 3/13/19   |            |
|---------------------|--|----------------|--|-------------|---|--------------|---|------------|
| Amount              | \$151,630,000  |                | \$127,045,000  |             | \$261,825,000   |              | \$233,925,000   |            |
| Issuer              | Michigan SHDA  |                | Michigan SHDA  |             | Michigan SHDA   |              | Michigan SHDA   |            |
| Series              | 2020 Series C  |                | 2020 Series A  |             | 2019 Series B   |              | 2019 Series A   |            |
| Program             | Single Family / Negotiated   |                | Single Family / Negotiated   |             | Single Family / Negotiated  |              | Single Family / Negotiated  |            |
| Rating(s)           | Aa2 / AA+ / -  |                | Aa2 / AA+ / -  |             | Aa2 / AA+ / -   |              | Aa2 / AA+ / -   |            |
| Tax Status          | Non-AMT  |                | Non-AMT  |             | Non-AMT   |              | Non-AMT   |            |
| Maturity            | Coupon/  | Spread         | Coupon/  | Spread      | Coupon/   | Spread       | Coupon/   | Spread     |
| Year ('21 pricings) | Yield  | to iMMD        | Yield  | to iMMD     | Yield   | to iMMD      | Yield   | to iMMD    |
| 0 2021              |  |                | 0.300  |             |   |              | 1.700   |            |
| 1 2022              | 0.25 / 0.30  | +5 / +10       | 0.35 / 0.45  | +24 / +34   | 1.30 / 1.35   | +22 / +26    | 1.75 / 1.80   | +18 / +22  |
| 2 2023              | 0.35 / 0.40  | +14 / +19      | 0.60 / 0.65  | +44 / +49   | 1.40 / 1.45   | +34 / +40    | 1.85 / 1.90   | +27 / +31  |
| 3 2024              | 0.45 / 0.50  | +23 / +28      | 0.80 / 0.85  | +57 / +62   | 1.500   | +45 / +45    | 1.95 / 2.00   | +35 / +39  |
| 4 2025              | 0.55 / 0.625   | +30 / +38      | 0.90 / 1.00  | +60 / +70   | 1.550   | +50 / +50    | 2.050   | +42 / +40  |
| 5 2026              | 0.75 / 0.875   | +46 / +56      | 1.25 / 1.30  | +87 / +92   | 1.6250  | +58 / +58    | 2.150   | +46 / +43  |
| 6 2027              | 1.05 / 1.15  | +62 / +71      | 1.50 / 1.55  | +99 / +103  | 1.70 / 1.75   | +63 / +67    | 2.25 / 2.30   | +49 / +51  |
| 7 2028              | 1.25 / 1.35  | +69 / +76      | 1.65 / 1.75  | +104 / +113 | 1.80 / 1.85   | +67 / +71    | 2.40 / 2.45   | +58 / +60  |
| 8 2029              | 1.50 / 1.65  | +80 / +91      | 1.85 / 1.90  | +117 / +119 | 1.90 / 1.95   | +73 / +75    | 2.55 / 2.60   | +65 / +67  |
| 9 2030              | 1.80 / 1.85  | +98 / +101     | 1.95 / 2.00  | +121 / +124 | 2.00 / 2.05   | +78 / +81    | 2.70 / 2.75   | +73 / +74  |
| 10 2031             | 1.95 / 2.00  | +103 / +106    | 2.050  | +121 / +119 | 2.10 / 2.125  | +83 / +84    | 2.85 / 2.90   | +79 / +80  |
| 11 2032             | 2.05 / 2.10  | +103 / +107    | 2.10 / 2.15  | +116 / +120 | 2.20 / 2.25   | +88 / +90    | 3.00 / 3.05   | +83 / +85  |
| 12 2033             | 2.15 / 2.20  | +105 / +109    |  |             | 2.30 / 2.35   | +92 / +96    | 3.100   | +83        |
| 13 2034             |  |                |  |             |   |              |   |            |
| 14 2035             |  |                |  |             |   |              |   |            |
| 15 2036             | 2.350  | +107           | 2.300  | +107        | 2.700   | +120         | 3.350   | +92        |
| 16 2037             |  |                |  |             |   |              |   |            |
| 17 2038             |  |                |  |             |   |              |   |            |
| 18 2039             |  |                |  |             |   |              |   |            |
| 19 2040             |  |                |  |             |   |              |   |            |
| 20 2041             | 2.600  | +111           | 2.550  | +111        | 2.950   | +125         | 3.650   | +95        |
| 21 2042             |  |                |  |             |   |              |   |            |
| 22 2043             |  |                |  |             |   |              |   |            |
| 23 2044             |  |                |  |             |   |              |   |            |
| 24 2045             |  |                |  |             |   |              |   |            |
| 25 2046             |  |                | 2.800  | +120        | 3.100   | +127         | 3.850   | +103       |
| 26 2047             |  |                |  |             |   |              |   |            |
| 27 2048             |  |                |  |             |   |              |   |            |
| 28 2049             |  |                |  |             |   |              |   |            |
| 29 2050             |  |                |  |             |   |              |   |            |
| 30 2051             |  |                | 2.850  | +120        |   |              | 3.950   | +108       |
| 31 2052             | 2.875  | +116.5 to 30yr |  |             | 3.150   | +127 to 30yr |   |            |
| PAC                 | 3.00C/1.03Y  | +72 to 5yr     | 3.50C/1.54Y  | +116 to 5yr | 3.75C/1.80Y   | +75 to 4.9yr | 4.25C/2.51Y   | +83 to 5yr |
| Notes               | 6/1/51 is 2.75% coupon;<br>6/1/51 PAC bond has 3% coupon at 109.499 to yield 1.03% with 5 year avg. life 50-500% PSA |                | 12/1/40 is 2.50% coupon;<br>12/1/50 PAC bond has 3.50% coupon at 109.326 to yield 1.54% with 5 year avg. life 100-500% PSA |             | 6/1/50 PAC bond has 3.75% coupon priced at 109.034 to yield 1.80% and has an average life of 4.9 years from 50-500% PSA |              | 12/1/44 & 6/1/49 are 4% cpns priced to yield 3.85% & 3.95%; 12/1/49 PAC is 4.25% coupon at 108.021 to yield 2.51% with 5 year avg. life from 100-500% PSA |            |
| Maturity Dates      | 6/1 and 12/1   |                | 12/1 and 6/1   |             | 6/1 and 12/1  |              | 12/1 and 6/1  |            |
| Call Provisions     | 6/1/30 at par  |                | 6/1/29 at par  |             | 12/1/28 at par  |              | 6/1/28 at par   |            |
| Mkt Index           | BBi / RBi 2.34% / 2.76%  |                | BBi / RBi 2.16% / 2.58%  |             | BBi / RBi 2.62% / 3.10%   |              | BBi / RBi 4.09% / 4.56%   |            |
| Sr Manager          | Barclays   |                | RBC Capital Markets  |             | Barclays  |              | RBC Capital Markets   |            |

**TAXABLE HOUSING BOND PRICING COMPARABLES, PAST SIX MONTHS PLUS EARLIER MSHDA**

| Pricing Date                 | 7/29/21  | 7/20/21                  | 7/20/21                   | 7/14/21                              | 6/30/21                    | 6/15/21                  |
|------------------------------|--|--------------------------|---------------------------|--------------------------------------|----------------------------|--------------------------|
| Amount                       | \$111,025,000                                  | \$22,545,000             | \$30,000,000              | \$20,000,000                         | \$45,865,000               | \$80,000,000             |
| Issuer                       | Michigan SHDA                                  | New Hampshire HFA        | Virginia HDA              | South Dakota HDA                     | SONYMA                     | Virginia HDA             |
| Series                       | 2021 Series B                                  | 2021 Series 2            | 2021 Series G             | 2021 Series C                        | Series 237                 | 2021 Series E            |
| Program                      | Single Family / Negotiated                     | Multifamily / Negotiated | Multifamily / Competitive | Single Family / Negotiated           | Single Family / Negotiated | Multifamily / Negotiated |
| Rating(s)                    | Aa2 / AA+ / -                                  | Aaa / - / -              | Aa1 / AA+ / -             | Aaa / AAA / -                        | Aa1 / - / -                | Aa1 / AA+ / -            |
| Tax Status                   | Taxable  | Taxable                  | Taxable                   | Taxable                              | Taxable                    | Taxable                  |
| Maturity Year ('21 pricings) | Coupon/ Yield                                  | Spread to UST            | Coupon/ Yield             | Spread to UST                        | Coupon/ Yield              | Spread to UST            |
| 0 2021                       | 0.276  | +9 to 2 yr               |                           |                                      |                            |                          |
| 1 2022                       | 0.326 / 0.346                                  | +14 / +16 to 2 yr        | 0.25 / 0.35               | +17 / +27 to 1 yr                    | 0.279 / 0.379              | +5 / +15 to 2 yr         |
| 2 2023                       | 0.436 / 0.496                                  | +25 / +31 to 2 yr        | 0.40 / 0.45               | +20 / +25 to 2 yr                    | 0.429 / 0.479              | +20 / +25 to 2 yr        |
| 3 2024                       | 0.692 / 0.752                                  | +32 / +38 to 3 yr        | 0.65 / 0.70               | +28 / +33 to 3 yr                    | 0.671 / 0.721              | +25 / +30 to 3 yr        |
| 4 2025                       | 0.958 / 1.038                                  | +24 / +32 to 5 yr        | 0.86 / 0.96               | +17 / +27 to 5 yr                    | 0.958 / 1.058              | +15 / +25 to 5 yr        |
| 5 2026                       | 1.118 / 1.198                                  | +40 / +48 to 5 yr        | 1.01 / 1.11               | +32 / +42 to 5 yr                    | 1.108 / 1.208              | +30 / +40 to 5 yr        |
| 6 2027                       | 1.412 / 1.512                                  | +39 / +49 to 7 yr        | 1.33 / 1.43               | +35 / +45 to 7 yr                    | 1.417 / 1.517              | +30 / +40 to 7 yr        |
| 7 2028                       | 1.622 / 1.672                                  | +60 / +65 to 7 yr        | 1.53 / 1.58               | +55 / +60 to 7 yr                    | 1.617 / 1.667              | +50 / +55 to 7 yr        |
| 8 2029                       | 1.864 / 1.914                                  | +60 / +65 to 10 yr       | 1.76 / 1.81               | +53 / +58 to 10 yr                   | 1.869 / 1.919              | +50 / +55 to 10 yr       |
| 9 2030                       | 1.964 / 2.014                                  | +70 / +75 to 10 yr       | 1.86 / 1.91               | +63 / +68 to 10 yr                   | 1.969 / 2.019              | +60 / +65 to 10 yr       |
| 10 2031                      | 2.064 / 2.114                                  | +80 / +85 to 10 yr       | 1.96 / 2.01               | +73 / +78 to 10 yr                   |                            |                          |
| 11 2032                      | 2.164 / 2.214                                  | +90 / +95 to 10 yr       | 2.06 / 2.11               | +83 / +88 to 10 yr                   |                            |                          |
| 12 2033                      | 2.264 / 2.304                                  | +100 / +104 to 10 yr     |                           |                                      |                            |                          |
| 13 2034                      |  |                          |                           | 1.900                                | +67 to 10 yr               |                          |
| 14 2035                      |  |                          |                           | 2.000                                | +77 to 10 yr               |                          |
| 15 2036                      | 2.444  | +118 to 10 yr            | 2.360                     | +113 to 10 yr                        | 2.100                      | +87 to 10 yr             |
| 16 2037                      |  |                          |                           | 2.200                                | +32 to 30 yr               |                          |
| 17 2038                      |  |                          |                           | 2.300                                | +42 to 30 yr               |                          |
| 18 2039                      |  |                          |                           | 2.400                                | +52 to 30 yr               |                          |
| 19 2040                      |  |                          |                           | 2.450                                | +57 to 30 yr               |                          |
| 20 2041                      | 2.658  | +73 to 30 yr             | 2.550                     | +67 to 30 yr                         | 2.500                      | +62 to 30 yr             |
| 21 2042                      |  |                          |                           |                                      |                            |                          |
| 22 2043                      |  |                          |                           | 2.600                                | +72 to 30 yr               |                          |
| 23 2044                      |  |                          |                           |                                      |                            |                          |
| 24 2045                      |  |                          |                           |                                      |                            |                          |
| 25 2046                      | 2.808  | +88 to 30 yr             | 2.700                     | +82 to 30 yr                         | 2.700                      | +82 to 30 yr             |
| 26 2047                      |  |                          |                           |                                      |                            |                          |
| 27 2048                      |  |                          |                           |                                      |                            |                          |
| 28 2049                      |  |                          |                           |                                      |                            |                          |
| 29 2050                      |  |                          |                           |                                      |                            |                          |
| 30 2051                      |  |                          | 2.750                     | +87 to 30 yr                         | 2.800                      | +92 to 30 yr             |
| 31 2052                      | 2.898  | +97 to 30 yr             |                           |                                      |                            |                          |
| PAC                          |  |                          |                           |                                      |                            |                          |
| Notes                        | 12/1/21, 6/1/22, and 12/1/22 priced to 2yr UST |                          |                           | 5/1/22 and 11/1/22 priced to 2yr UST |                            |                          |
| Maturity Dates               | 12/1 and 6/1                                   | 1/1 and 7/1              | 8/1                       | 5/1 and 11/1                         | 4/1 and 10/1               | 6/1                      |
| Call Provisions              | 12/1/30 at par                                 | 1/1/30 at par            | 8/1/30 at par             | 5/1/30 at par                        | 4/1/30 at par              | 6/1/30 at par            |
| Mkt Index                    | BBi / RBI 2.04% / 2.40%                        | BBi / RBI 2.04% / 2.40%  | BBi / RBI 2.04% / 2.40%   | BBi / RBI 2.04% / 2.40%              | BBi / RBI 2.16% / 2.53%    | BBi / RBI 2.07% / 2.43%  |
| Sr Manager                   | Barclays                                       | BofA                     | Baird                     | Wells Fargo                          | Barclays                   | BofA                     |

**TAXABLE HOUSING BOND PRICING COMPARABLES, PAST SIX MONTHS PLUS EARLIER MSHDA**

| Pricing Date                 | 6/8/21                               | 6/3/21                              | 5/11/21                    | 4/20/21                               | 4/14/21                            | 4/8/21                   |
|------------------------------|--------------------------------------|-------------------------------------|----------------------------|---------------------------------------|------------------------------------|--------------------------|
| Amount                       | \$19,280,000                         | \$73,420,000                        | \$5,000,000                | \$47,455,000                          | \$150,000,000                      | \$101,620,000            |
| Issuer                       | Illinois HDA                         | Michigan SHDA                       | Iowa FA                    | Connecticut HFA                       | New York City HDC                  | Virginia HDA             |
| Series                       | 2021 Series C                        | 2021 Series B                       | 2021 Series C              | 2021 Series B-4                       | 2021 Series D                      | 2021 Series C            |
| Program                      | Single Family / Negotiated           | Multifamily / Negotiated            | Single Family / Negotiated | Single Family / Negotiated            | Multifamily / Negotiated           | Multifamily / Negotiated |
| Rating(s)                    | Aaa / - / -                          | - / AA / -                          | Aaa / AAA / -              | Aaa / AAA / -                         | Aa2 / AA+ / -                      | Aa1 / AA+ / -            |
| Tax Status                   | Taxable                              | Taxable                             | Taxable                    | Taxable                               | Taxable                            | Taxable                  |
| Maturity Year ('21 pricings) | Coupon/ Yield                        | Spread to UST                       | Coupon/ Yield              | Spread to UST                         | Coupon/ Yield                      | Spread to UST            |
| 0 2021                       |                                      |                                     | 0.183                      | +2.5 to 2 yr                          | 0.133                              | -2 to 2 yr               |
| 1 2022                       | 0.203 / 0.253                        | +5 / +10 to 2 yr                    | 0.208 / 0.258              | +5 / +10 to 2 yr                      | 0.173 / 0.223                      | +2 / +7 to 2 yr          |
| 2 2023                       | 0.303 / 0.353                        | +15 / +20 to 2 yr                   | 0.333 / 0.408              | +17.5 / +25 to 2 yr                   | 0.273 / 0.353                      | +12 / +20 to 2 yr        |
| 3 2024                       | 0.451 / 0.501                        | +15 / +20 to 3 yr                   | 0.477 / 0.577              | +15 / +25 to 3 yr                     | 0.47 / 0.57                        | +15 / +25 to 3 yr        |
| 4 2025                       | 0.868 / 0.968                        | +10 / +20 to 5 yr                   | 0.991 / 1.091              | +15 / +25 to 5 yr                     | 0.894 / 0.974                      | +10 / +18 to 5 yr        |
| 5 2026                       | 1.068 / 1.118                        | +30 / +35 to 5 yr                   | 1.191 / 1.241              | +35 / +40 to 5 yr                     | 1.094 / 1.114                      | +30 / +32 to 5 yr        |
| 6 2027                       | 1.451 / 1.601                        | +25 / +40 to 7 yr                   | 1.599 / 1.749              | +30 / +45 to 7 yr                     | 1.451 / 1.551                      | +22 / +32 to 7 yr        |
| 7 2028                       | 1.701 / 1.751                        | +50 / +55 to 7 yr                   | 1.849 / 1.899              | +55 / +60 to 7 yr                     | 1.651 / 1.751                      | +42 / +52 to 7 yr        |
| 8 2029                       | 1.978 / 2.028                        | +45 / +50 to 10 yr                  | 2.125 / 2.175              | +50 / +55 to 10 yr                    | 1.929 / 2.009                      | +37 / +45 to 10 yr       |
| 9 2030                       | 2.078 / 2.128                        | +55 / +60 to 10 yr                  | 2.225 / 2.275              | +60 / +65 to 10 yr                    | 2.109 / 2.159                      | +55 / +60 to 10 yr       |
| 10 2031                      | 2.178 / 2.228                        | +65 / +70 to 10 yr                  | 2.325                      | +70 to 10 yr                          | 2.209 / 2.259                      | +65 / +70 to 10 yr       |
| 11 2032                      |                                      |                                     | 2.425                      | +80 to 10 yr                          |                                    |                          |
| 12 2033                      |                                      |                                     | 2.525                      | +90 to 10 yr                          |                                    |                          |
| 13 2034                      |                                      |                                     | 2.625                      | +100 to 10 yr                         |                                    |                          |
| 14 2035                      |                                      |                                     | 2.675                      | +105 to 10 yr                         |                                    |                          |
| 15 2036                      |                                      |                                     | 2.725                      | +110 to 10 yr                         | 2.559                              | +100 to 10 yr            |
| 16 2037                      |                                      |                                     |                            |                                       | 2.789                              | +115 to 10 yr            |
| 17 2038                      |                                      |                                     |                            |                                       |                                    |                          |
| 18 2039                      |                                      |                                     |                            |                                       |                                    |                          |
| 19 2040                      |                                      |                                     |                            |                                       |                                    |                          |
| 20 2041                      |                                      |                                     | 2.958                      | +65 to 30 yr                          | 2.816                              | +55 to 30 yr             |
| 21 2042                      |                                      |                                     |                            |                                       | 2.983                              | +65 to 30 yr             |
| 22 2043                      |                                      |                                     |                            |                                       |                                    |                          |
| 23 2044                      |                                      |                                     |                            |                                       |                                    |                          |
| 24 2045                      |                                      |                                     |                            |                                       |                                    |                          |
| 25 2046                      |                                      |                                     | 3.058                      | +75 to 30 yr                          | 3.083                              | +75 to 30 yr             |
| 26 2047                      |                                      |                                     |                            |                                       |                                    |                          |
| 27 2048                      |                                      |                                     | 3.108                      | +80 to 30 yr                          |                                    |                          |
| 28 2049                      |                                      |                                     |                            |                                       |                                    |                          |
| 29 2050                      |                                      |                                     |                            |                                       |                                    |                          |
| 30 2051                      |                                      |                                     |                            |                                       | 2.966                              | +70 to 30 yr             |
| 31 2052                      |                                      |                                     |                            |                                       | 3.183                              | +85 to 30 yr             |
| PAC                          |                                      |                                     |                            |                                       |                                    |                          |
| Notes                        | 4/1/22 and 10/1/22 priced to 2yr UST | 10/1/21 - 10/1/22 priced to 2yr UST |                            | 11/15/21 - 11/15/22 priced to 2yr UST | 5/1/22 - 11/1/22 priced to 2yr UST |                          |
| Maturity Dates               | 4/1 and 10/1                         | 10/1 and 4/1                        | 1/1 and 7/1                | 11/15 and 5/15                        | 5/1 and 11/1                       | 4/1                      |
| Call Provisions              | 4/1/30 at par                        | 10/1/30 at par                      | None                       | 11/15/30 at par                       | 5/1/29 at par                      | 4/1/30 at par            |
| Mkt Index                    | BBi / RBI 2.18% / 2.54%              | BBi / RBI 2.18% / 2.54%             | BBi / RBI 2.25% / 2.61%    | BBi / RBI 2.26% / 2.62%               | BBi / RBI 2.30% / 2.66%            | BBi / RBI 2.30% / 2.66%  |
| Sr Manager                   | Jefferies                            | BofA                                | RBC Capital Markets        | RBC Capital Markets                   | Wells Fargo                        | Raymond James            |



**TAXABLE HOUSING BOND PRICING COMPARABLES, PAST SIX MONTHS PLUS EARLIER MSHDA**

|                             |                            |               |         |                          |               |          |                          |               |          |                            |               |         |
|-----------------------------|----------------------------|---------------|---------|--------------------------|---------------|----------|--------------------------|---------------|----------|----------------------------|---------------|---------|
| Pricing Date                | 3/18/21                    |               |         | 2/23/21                  |               |          | 2/17/21                  |               |          | 2/10/21                    |               |         |
| Amount                      | \$17,865,000               |               |         | \$212,000,000            |               |          | \$81,590,000             |               |          | \$70,370,000               |               |         |
| Issuer                      | North Carolina HFA         |               |         | New York City HDC        |               |          | Virginia HDA             |               |          | Connecticut HFA            |               |         |
| Series                      | Series 46-B                |               |         | 2021 Series B            |               |          | 2021 Series A            |               |          | 2021 Series A-4            |               |         |
| Program                     | Single Family / Negotiated |               |         | Multifamily / Negotiated |               |          | Multifamily / Negotiated |               |          | Single Family / Negotiated |               |         |
| Rating(s)                   | Aa1 / AA+ / -              |               |         | Aa2 / AA+ / -            |               |          | Aa1 / AA+ / -            |               |          | Aaa / AAA / -              |               |         |
| Tax Status                  | Taxable                    |               |         | Taxable                  |               |          | Taxable                  |               |          | Taxable                    |               |         |
| Maturity Year (21 pricings) | Coupon/ Yield              | Spread to UST |         | Coupon/ Yield            | Spread to UST |          | Coupon/ Yield            | Spread to UST |          | Coupon/ Yield              | Spread to UST |         |
| 0 2021                      |                            |               |         |                          |               |          |                          |               |          |                            |               |         |
| 1 2022                      | 0.25 / 0.30                | +17 / +22     | to 1 yr |                          |               |          |                          |               |          | 0.300                      | +23           | to 1 yr |
| 2 2023                      | 0.36 / 0.41                | +20 / +25     | to 2 yr |                          |               |          |                          |               |          |                            |               |         |
| 3 2024                      | 0.60 / 0.90                | +27 / +57     | to 3 yr | 0.517                    | +30           | to 3 yr  | 0.409                    | +20           | to 3 yr  |                            |               |         |
| 4 2025                      | 1.075 / 1.13               | +22 / +27     | to 5 yr | 0.823 / 0.923            | +25 / +35     | to 5 yr  | 0.758                    | +20           | to 5 yr  |                            |               |         |
| 5 2026                      | 1.23 / 1.33                | +37 / +47     | to 5 yr | 1.023 / 1.123            | +45 / +55     | to 5 yr  | 0.958                    | +40           | to 5 yr  |                            |               |         |
| 6 2027                      |                            |               |         | 1.377 / 1.477            | +40 / +50     | to 7 yr  | 1.285                    | +35           | to 7 yr  |                            |               |         |
| 7 2028                      |                            |               |         | 1.577 / 1.677            | +60 / +70     | to 7 yr  | 1.485                    | +55           | to 7 yr  |                            |               |         |
| 8 2029                      |                            |               |         | 1.903 / 1.953            | +55 / +60     | to 10 yr | 1.746                    | +45           | to 10 yr |                            |               |         |
| 9 2030                      |                            |               |         | 2.003 / 2.053            | +65 / +70     | to 10 yr | 1.846                    | +55           | to 10 yr |                            |               |         |
| 10 2031                     |                            |               |         | 2.103 / 2.153            | +75 / +80     | to 10 yr | 1.946                    | +65           | to 10 yr |                            |               |         |
| 11 2032                     |                            |               |         | 2.203 / 2.253            | +85 / +90     | to 10 yr | 2.046                    | +75           | to 10 yr |                            |               |         |
| 12 2033                     |                            |               |         |                          |               |          | 2.146                    | +85           | to 10 yr |                            |               |         |
| 13 2034                     |                            |               |         |                          |               |          | 2.246                    | +95           | to 10 yr |                            |               |         |
| 14 2035                     |                            |               |         |                          |               |          | 2.346                    | +105          | to 10 yr |                            |               |         |
| 15 2036                     |                            |               |         | 2.653                    | +130          | to 10 yr | 2.446                    | +115          | to 10 yr |                            |               |         |
| 16 2037                     |                            |               |         |                          |               |          |                          |               |          |                            |               |         |
| 17 2038                     |                            |               |         |                          |               |          |                          |               |          |                            |               |         |
| 18 2039                     |                            |               |         |                          |               |          |                          |               |          |                            |               |         |
| 19 2040                     |                            |               |         |                          |               |          |                          |               |          |                            |               |         |
| 20 2041                     |                            |               |         | 2.948                    | +75           | to 30 yr | 2.676                    | +60           | to 30 yr |                            |               |         |
| 21 2042                     |                            |               |         |                          |               |          |                          |               |          |                            |               |         |
| 22 2043                     |                            |               |         |                          |               |          |                          |               |          |                            |               |         |
| 23 2044                     |                            |               |         |                          |               |          |                          |               |          |                            |               |         |
| 24 2045                     |                            |               |         |                          |               |          |                          |               |          |                            |               |         |
| 25 2046                     |                            |               |         | 3.048                    | +85           | to 30 yr | 2.776                    | +70           | to 30 yr |                            |               |         |
| 26 2047                     |                            |               |         |                          |               |          |                          |               |          |                            |               |         |
| 27 2048                     |                            |               |         |                          |               |          |                          |               |          |                            |               |         |
| 28 2049                     |                            |               |         |                          |               |          |                          |               |          |                            |               |         |
| 29 2050                     |                            |               |         |                          |               |          |                          |               |          |                            |               |         |
| 30 2051                     |                            |               |         |                          |               |          | 2.926                    | +85           | to 30 yr |                            |               |         |
| 31 2052                     |                            |               |         |                          |               |          |                          |               |          |                            |               |         |
| PAC                         |                            |               |         |                          |               |          |                          |               |          |                            |               |         |
| Notes                       |                            |               |         |                          |               |          |                          |               |          |                            |               |         |
| Maturity Dates              | 1/1 and 7/1                |               |         | 11/1 and 5/1             |               |          | 2/1                      |               |          | 11/15                      |               |         |
| Call Provisions             | None                       |               |         | 2/1/29 at par            |               |          | 2/1/30 at par            |               |          | 1/15/22 at par             |               |         |
| Mkt Index                   | BBi / RBi 2.40% / 2.76%    |               |         | BBi / RBi 2.17% / 2.54%  |               |          | BBi / RBi 2.10% / 2.47%  |               |          | BBi / RBi 2.14% / 2.51%    |               |         |
| Sr Manager                  | BofA                       |               |         | Citigroup                |               |          | Wells Fargo              |               |          | Citigroup                  |               |         |

**TAXABLE HOUSING BOND PRICING COMPARABLES, PAST SIX MONTHS PLUS EARLIER MSHDA**

|                             |                            |  |                      |  |                          |  |                      |  |  |  |                      |  |                            |  |                      |  |
|-----------------------------|----------------------------|--|----------------------|--|--------------------------|--|----------------------|--|--|--|----------------------|--|----------------------------|--|----------------------|--|
| Pricing Date                | 10/29/20                   |  |                      |  | 10/14/20                 |  |                      |  | 6/3/20   |  |                      |  | 10/8/19                    |  |                      |  |
| Amount                      | \$93,060,000               |  |                      |  | \$23,075,000             |  |                      |  | \$100,000,000                                  |  |                      |  | \$63,175,000               |  |                      |  |
| Issuer                      | Michigan SHDA              |  |                      |  | Michigan SHDA            |  |                      |  | Michigan SHDA                                  |  |                      |  | Michigan SHDA              |  |                      |  |
| Series                      | 2020 Series D              |  |                      |  | 2020 Series B            |  |                      |  | 2020 Series B                                  |  |                      |  | 2019 Series C              |  |                      |  |
| Program                     | Single Family / Negotiated |  |                      |  | Multifamily / Negotiated |  |                      |  | Single Family / Negotiated                     |  |                      |  | Single Family / Negotiated |  |                      |  |
| Rating(s)                   | Aa2 / AA+ / -              |  |                      |  | - / AA / -               |  |                      |  | Aa2 / AA+ / -                                  |  |                      |  | Aa2 / AA+ / -              |  |                      |  |
| Tax Status                  | Taxable                    |  |                      |  | Taxable                  |  |                      |  | Taxable  |  |                      |  | Taxable                    |  |                      |  |
| Maturity Year (21 pricings) | Coupon/ Yield              |  | Spread to UST        |  | Coupon/ Yield            |  | Spread to UST        |  | Coupon/ Yield                                  |  | Spread to UST        |  | Coupon/ Yield              |  | Spread to UST        |  |
| 0 2021                      |                            |  |                      |  |                          |  |                      |  | 0.896  |  | +70 to 2 yr          |  |                            |  |                      |  |
| 1 2022                      | 0.552 / 0.602              |  | +40 / +45 to 2 yr    |  | 0.47 / 0.54              |  | +34 / +41 to 1 yr    |  | 0.946 / 1.046                                  |  | +75 / +85 to 2 yr    |  | 1.76 / 1.79                |  | +14 / +17 to 1 yr    |  |
| 2 2023                      | 0.652 / 0.752              |  | +50 / +60 to 2 yr    |  | 0.625 / 0.72             |  | +49 / +58 to 2 yr    |  | 1.096 / 1.196                                  |  | +90 / +100 to 2 yr   |  | 1.83 / 1.86                |  | +41 / +44 to 2 yr    |  |
| 3 2024                      | 0.894 / 0.994              |  | +70 / +80 to 3 yr    |  | 0.85 / 0.95              |  | +67 / +77 to 3 yr    |  | 1.298 / 1.398                                  |  | +105 / +115 to 3 yr  |  | 1.90 / 1.95                |  | +52 / +57 to 3 yr    |  |
| 4 2025                      | 1.267 / 1.367              |  | +90 / +100 to 5 yr   |  | 1.10 / 1.20              |  | +80 / +90 to 5 yr    |  | 1.62 / 1.67                                    |  | +125 / +130 to 5 yr  |  | 1.98 / 2.03                |  | +62 / +67 to 5 yr    |  |
| 5 2026                      | 1.417 / 1.517              |  | +105 / +115 to 5 yr  |  | 1.27 / 1.38              |  | +97 / +108 to 5 yr   |  | 1.77 / 1.87                                    |  | +140 / +150 to 5 yr  |  | 2.08 / 2.13                |  | +72 / +77 to 5 yr    |  |
| 6 2027                      | 1.747 / 1.797              |  | +115 / +120 to 7 yr  |  | 1.63 / 1.68              |  | +112 / +117 to 7 yr  |  | 2.055 / 2.105                                  |  | +147 / +152 to 7 yr  |  | 2.21 / 2.28                |  | +76 / +83 to 7 yr    |  |
| 7 2028                      | 1.847 / 1.897              |  | +125 / +130 to 7 yr  |  | 1.80 / 1.85              |  | +129 / +134 to 7 yr  |  | 2.135 / 2.165                                  |  | +155 / +158 to 7 yr  |  | 2.36 / 2.42                |  | +91 / +97 to 7 yr    |  |
| 8 2029                      | 2.23 / 2.28                |  | +140 / +145 to 10 yr |  | 2.17 / 2.22              |  | +144 / +149 to 10 yr |  | 2.359 / 2.409                                  |  | +160 / +165 to 10 yr |  | 2.49 / 2.57                |  | +95 / +103 to 10 yr  |  |
| 9 2030                      | 2.33 / 2.38                |  | +150 / +155 to 10 yr |  | 2.27 / 2.32              |  | +154 / +159 to 10 yr |  | 2.459 / 2.509                                  |  | +170 / +175 to 10 yr |  | 2.64 / 2.69                |  | +110 / +115 to 10 yr |  |
| 10 2031                     | 2.43 / 2.48                |  | +160 / +165 to 10 yr |  | 2.37 / 2.42              |  | +164 / +169 to 10 yr |  | 2.559 / 2.609                                  |  | +180 / +185 to 10 yr |  | 2.74 / 2.79                |  | +120 / +125 to 10 yr |  |
| 11 2032                     | 2.53 / 2.58                |  | +170 / +175 to 10 yr |  | 2.47 / 2.52              |  | +174 / +179 to 10 yr |  |  |  |                      |  | 2.84 / 2.90                |  | +130 / +136 to 10 yr |  |
| 12 2033                     | 2.63 / 2.68                |  | +180 / +185 to 10 yr |  |                          |  |                      |  |  |  |                      |  | 2.92 / 2.94                |  | +138 / +140 to 10 yr |  |
| 13 2034                     |                            |  |                      |  |                          |  |                      |  |  |  |                      |  |                            |  |                      |  |
| 14 2035                     |                            |  |                      |  |                          |  |                      |  |  |  |                      |  |                            |  |                      |  |
| 15 2036                     | 2.830                      |  | +200 to 10 yr        |  | 2.720                    |  | +199 to 10 yr        |  | 2.959  |  | +220 to 10 yr        |  | 3.050                      |  | +151 to 10 yr        |  |
| 16 2037                     |                            |  |                      |  |                          |  |                      |  |  |  |                      |  |                            |  |                      |  |
| 17 2038                     |                            |  |                      |  |                          |  |                      |  |  |  |                      |  |                            |  |                      |  |
| 18 2039                     |                            |  |                      |  |                          |  |                      |  |  |  |                      |  |                            |  |                      |  |
| 19 2040                     |                            |  |                      |  |                          |  |                      |  |  |  |                      |  |                            |  |                      |  |
| 20 2041                     | 3.365                      |  | +175 to 30 yr        |  |                          |  |                      |  | 3.489  |  | +195 to 30 yr        |  | 3.330                      |  | +129 to 30 yr        |  |
| 21 2042                     |                            |  |                      |  |                          |  |                      |  |  |  |                      |  |                            |  |                      |  |
| 22 2043                     |                            |  |                      |  |                          |  |                      |  |  |  |                      |  |                            |  |                      |  |
| 23 2044                     |                            |  |                      |  |                          |  |                      |  |  |  |                      |  |                            |  |                      |  |
| 24 2045                     |                            |  |                      |  |                          |  |                      |  |  |  |                      |  |                            |  |                      |  |
| 25 2046                     | 3.465                      |  | +185 to 30 yr        |  |                          |  |                      |  |  |  |                      |  | 3.430                      |  | +139 to 30 yr        |  |
| 26 2047                     |                            |  |                      |  |                          |  |                      |  |  |  |                      |  |                            |  |                      |  |
| 27 2048                     |                            |  |                      |  |                          |  |                      |  |  |  |                      |  |                            |  |                      |  |
| 28 2049                     |                            |  |                      |  |                          |  |                      |  |  |  |                      |  |                            |  |                      |  |
| 29 2050                     |                            |  |                      |  |                          |  |                      |  |  |  |                      |  |                            |  |                      |  |
| 30 2051                     |                            |  |                      |  |                          |  |                      |  | 3.739  |  | +220 to 30 yr        |  |                            |  |                      |  |
| 31 2052                     | 3.565                      |  | +195 to 30 yr        |  |                          |  |                      |  |  |  |                      |  | 3.530                      |  | +149 to 30 yr        |  |
| PAC                         |                            |  |                      |  |                          |  |                      |  |  |  |                      |  |                            |  |                      |  |
| Notes                       |                            |  |                      |  |                          |  |                      |  | 12/1/20, 6/1/21, and 12/1/21 priced to 2yr UST |  |                      |  |                            |  |                      |  |
| Maturity Dates              | 6/1 and 12/1               |  |                      |  | 4/1 and 10/1             |  |                      |  | 12/1 and 6/1                                   |  |                      |  | 6/1 and 12/1               |  |                      |  |
| Call Provisions             | 6/1/30 at par              |  |                      |  | 10/1/30 at par           |  |                      |  | 6/1/29 at par                                  |  |                      |  | 12/1/28 at par             |  |                      |  |
| Mkt Index                   | BBi / RBi 2.34% / 2.76%    |  |                      |  | BBi / RBi 2.35% / 2.77%  |  |                      |  | BBi / RBi 2.16% / 2.58%                        |  |                      |  | BBi / RBi 2.62% / 3.10%    |  |                      |  |
| Sr Manager                  | Barclays                   |  |                      |  | BofA                     |  |                      |  | RBC Capital Markets                            |  |                      |  | Barclays                   |  |                      |  |

## SECTION 3

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### 2021 Series AB - Sales Compensation Compared to Other Housing Issues

The following charts of housing issues include details of “takedowns,” or sales compensation for each bond maturity. (Note, for example, that “½” equals one-half of 1%, often referred to as “\$5 per bond”, or \$5 per \$1000 bond.) Sales compensation is the largest component of the underwriters’ spread or fee. (The underwriters’ spread also includes management fee and transaction expenses.) Takedowns vary based on a number of factors, including prevailing market compensation for bond salespeople of similar financial products, the type of bond, the length of the maturity, credit characteristics, complexity, liquidity or demand for the issuer’s bonds, and the depth of investor interest in particular maturities.

In a market short of supply some issuers may gain leverage in negotiating lower takedowns. Issuers in “specialty states” have been the most likely to benefit. Issues from the HFAs in Virginia, Connecticut, New York, Oregon, Massachusetts, and Maryland have sometimes benefitted, although absolute savings are generally small.

Takedowns on the Authority’s Series A and B bond components are consistent with those paid on other recent HFA issues, as well as MSHDA’s prior Single-Family offerings within the same maturity ranges.

# NON-AMT SINGLE FAMILY HOUSING BOND TAKEDOWN COMPARABLES, PAST THREE MONTHS PLUS EARLIER MSHDA

|                     |                            |                            |                            |                            |                            |                            |
|---------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Pricing Date        | 7/29/21                    | 7/27/21                    | 7/27/21                    | 7/27/21                    | 7/22/21                    | 7/21/21                    |
| Amount              | \$177,570,000              | \$32,000,000               | \$135,800,000              | \$150,000,000              | \$65,000,000               | \$140,000,000              |
| Issuer              | Michigan SHDA              | Montana BOH                | New Jersey HMFA            | Texas DHCA                 | Missouri HDC               | Florida HFC                |
| Series              | 2021 Series A              | 2021 Series B              | 2021 Series H              | 2021 Series A              | 2021 Series B              | 2021 Series 2              |
| Program             | Single Family / Negotiated | Single Family / Negotiated | Single Family / Negotiated | Single Family / Negotiated | Single Family / Negotiated | Single Family / Negotiated |
| Rating(s)           | Aa2 / AA+ / -              | Aa1 / AA+ / -              | Aa2 / AA / -               | Aaa / AA+ / -              | - / AA+ / -                | Aaa / - / -                |
| Tax Status          | Non-AMT                    | Non-AMT                    | Non-AMT                    | Non-AMT                    | Non-AMT                    | Non-AMT                    |
| Maturity            |                            |                            |                            |                            |                            |                            |
| Year ('21 pricings) | Takedown                   | Takedown                   | Takedown                   | Takedown                   | Takedown                   | Takedown                   |
| 0 2021              | 1/4                        |                            |                            |                            |                            |                            |
| 1 2022              | 1/4                        | 1/4                        | 1/8                        | 1/4                        | 1/4                        |                            |
| 2 2023              | 3/8                        | 3/8                        | 1/8                        | 1/4                        | 1/4                        | 3/8                        |
| 3 2024              | 3/8                        | 1/2                        | 1/4                        | 3/8                        | 3/8                        | 3/8                        |
| 4 2025              | 1/2                        | 1/2                        | 1/4                        | 1/2                        | 3/8                        | 3/8                        |
| 5 2026              | 1/2                        | 1/2                        | 3/8                        | 1/2                        | 1/2                        | 1/2                        |
| 6 2027              | 1/2                        | 1/2                        | 3/8                        | 1/2                        | 1/2                        | 1/2                        |
| 7 2028              | 1/2                        | 1/2, 5/8                   | 3/8                        | 5/8                        | 1/2                        | 1/2                        |
| 8 2029              | 5/8                        | 5/8                        | 3/8                        | 5/8                        | 1/2                        | 1/2                        |
| 9 2030              | 5/8                        | 5/8                        | 3/8                        | 5/8                        | 1/2                        | 5/8                        |
| 10 2031             | 5/8                        | 5/8                        | 19/40                      | 5/8                        | 1/2                        | 5/8                        |
| 11 2032             |                            | 5/8                        | 19/40                      | 5/8                        | 5/8                        | 5/8                        |
| 12 2033             |                            | 5/8                        | 19/40                      | 5/8                        | 5/8                        | 5/8                        |
| 13 2034             |                            |                            |                            |                            |                            |                            |
| 14 2035             |                            |                            |                            |                            |                            |                            |
| 15 2036             | 5/8                        | 5/8                        | 19/40                      | 5/8                        | 5/8                        | 5/8                        |
| 16 2037             |                            |                            |                            |                            |                            |                            |
| 17 2038             |                            |                            |                            |                            |                            |                            |
| 18 2039             |                            |                            |                            |                            |                            |                            |
| 19 2040             |                            |                            |                            |                            |                            |                            |
| 20 2041             | 5/8                        | 5/8                        | 36/59                      | 5/8                        | 5/8                        | 5/8                        |
| 21 2042             |                            |                            |                            |                            |                            |                            |
| 22 2043             |                            |                            |                            |                            |                            |                            |
| 23 2044             |                            |                            |                            |                            |                            |                            |
| 24 2045             |                            |                            |                            |                            |                            |                            |
| 25 2046             | 5/8                        | 5/8                        | 36/59                      | 5/8                        | 5/8                        | 5/8                        |
| 26 2047             |                            |                            |                            |                            |                            |                            |
| 27 2048             |                            |                            |                            |                            |                            |                            |
| 28 2049             |                            |                            |                            |                            |                            |                            |
| 29 2050             |                            |                            |                            |                            |                            |                            |
| 30 2051             |                            | 5/8                        |                            | 5/8                        | 5/8                        |                            |
| 31 2052             |                            |                            |                            |                            |                            |                            |
| PAC                 | 1/2                        | 1/2                        | 19/40                      | 1/2                        | 1/2                        | 1/2                        |
| Sr Manager          | Barclays                   | RBC Capital Markets        | Jefferies                  | Barclays                   | Stifel                     | RBC Capital Markets        |

**NON-AMT SINGLE FAMILY HOUSING BOND TAKEDOWN COMPARABLES, PAST THREE MONTHS PLUS EARLIER MSHDA**

| Pricing Date        | 7/20/21                    | 7/20/21                    | 7/15/21                    | 7/14/21                    | 7/8/21                     | 6/30/21                    |
|---------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Amount              | \$36,230,000               | \$170,000,000              | \$40,000,000               | \$119,285,000              | \$100,000,000              | \$129,270,000              |
| Issuer              | Colorado HFA               | Maryland DHCD              | Maine SHA                  | South Dakota HDA           | New Mexico MFA             | Nebraska IFA               |
| Series              | 2021 Series H              | 2021 Series B              | 2021 Series C              | 2021 Series B              | 2021 Series C              | 2021 Series C              |
| Program             | Single Family / Negotiated | Single Family / Negotiated | Single Family / Negotiated | Single Family / Negotiated | Single Family / Negotiated | Single Family / Negotiated |
| Rating(s)           | Aaa / AAA / -              | Aa1 / - / AA               | Aa1 / AA+ / -              | Aaa / AAA / -              | Aaa / - / -                | - / AA+ / -                |
| Tax Status          | Non-AMT                    | Non-AMT                    | Non-AMT                    | Non-AMT                    | Non-AMT                    | Non-AMT                    |
| Maturity            |                            |                            |                            |                            |                            |                            |
| Year ('21 pricings) | Takedown                   | Takedown                   | Takedown                   | Takedown                   | Takedown                   | Takedown                   |
| 0 2021              |                            |                            |                            | 1/4                        |                            |                            |
| 1 2022              |                            | 1/4                        | 1/4                        | 1/4                        | 1/4                        |                            |
| 2 2023              |                            | 1/4                        | 3/8                        | 3/8                        | 3/8                        |                            |
| 3 2024              | 3/8                        | 3/8                        | 3/8                        | 3/8                        | 1/2                        |                            |
| 4 2025              | 1/2                        | 3/8                        | 3/8                        | 1/2                        | 1/2                        |                            |
| 5 2026              | 1/2                        | 1/2                        | 1/2                        | 1/2                        | 1/2                        |                            |
| 6 2027              | 1/2                        | 1/2                        | 1/2                        | 1/2                        | 1/2                        |                            |
| 7 2028              | 5/8                        | 1/2                        | 1/2                        | 1/2                        | 5/8                        |                            |
| 8 2029              | 5/8                        | 5/8                        | 5/8                        | 5/8                        | 5/8                        |                            |
| 9 2030              | 5/8                        | 5/8                        | 5/8                        | 5/8                        | 5/8                        |                            |
| 10 2031             | 5/8                        | 5/8                        | 5/8                        | 5/8                        | 5/8                        |                            |
| 11 2032             | 5/8                        | 5/8                        | 5/8                        | 5/8                        | 5/8                        |                            |
| 12 2033             | 5/8                        | 5/8                        | 5/8                        | 5/8                        | 5/8                        |                            |
| 13 2034             |                            |                            |                            |                            |                            |                            |
| 14 2035             |                            |                            |                            |                            |                            |                            |
| 15 2036             | 5/8                        | 5/8                        | 5/8                        | 5/8                        | 5/8                        |                            |
| 16 2037             |                            |                            |                            |                            |                            |                            |
| 17 2038             |                            |                            |                            |                            |                            |                            |
| 18 2039             |                            |                            |                            |                            |                            |                            |
| 19 2040             |                            |                            |                            |                            |                            |                            |
| 20 2041             |                            | 5/8                        | 5/8                        | 5/8                        | 5/8                        |                            |
| 21 2042             | 5/8                        |                            |                            |                            |                            |                            |
| 22 2043             |                            | 5/8                        |                            |                            |                            |                            |
| 23 2044             |                            |                            |                            |                            |                            |                            |
| 24 2045             |                            |                            |                            |                            |                            |                            |
| 25 2046             |                            |                            | 5/8                        |                            | 5/8                        |                            |
| 26 2047             |                            |                            |                            |                            |                            |                            |
| 27 2048             |                            |                            |                            |                            |                            |                            |
| 28 2049             |                            |                            |                            |                            |                            |                            |
| 29 2050             |                            |                            |                            |                            |                            |                            |
| 30 2051             |                            |                            |                            |                            | 5/8                        |                            |
| 31 2052             |                            |                            |                            |                            |                            |                            |
| PAC                 | 1/2                        | 1/2                        |                            | 1/2                        | 1/2                        |                            |
| Sr Manager          | Jefferies                  | BofA                       | Barclays                   | Wells Fargo                | RBC Capital Markets        | J.P. Morgan                |

# NON-AMT SINGLE FAMILY HOUSING BOND TAKEDOWN COMPARABLES, PAST THREE MONTHS PLUS EARLIER MSHDA

|                     |                            |                            |                            |                            |                            |                            |
|---------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Pricing Date        | 6/30/21                    | 6/10/21                    | 6/9/21                     | 6/9/21                     | 6/8/21                     | 6/2/21                     |
| Amount              | \$149,765,000              | \$41,750,000               | \$97,095,000               | \$22,750,000               | \$125,000,000              | \$99,205,000               |
| Issuer              | SONYMA                     | Nevada HD                  | Mississippi HC             | Montgomery Co. HOC (MD)    | Illinois HDA               | Indiana HCDA               |
| Series              | Series 233                 | Series 2021A               | Series 2021B               | 2021 Series A              | 2021 Series B              | 2021 Series B              |
| Program             | Single Family / Negotiated | Single Family / Negotiated | Single Family / Negotiated | Single Family / Negotiated | Single Family / Negotiated | Single Family / Negotiated |
| Rating(s)           | Aa1 / - / -                | - / AA+ / -                | Aaa / - / -                | Aa2 / - / -                | Aaa / - / -                | Aaa / - / AAA              |
| Tax Status          | Non-AMT                    | Non-AMT                    | Non-AMT                    | Non-AMT                    | Non-AMT                    | Non-AMT                    |
| Maturity            |                            |                            |                            |                            |                            |                            |
| Year ('21 pricings) | Takedown                   | Takedown                   | Takedown                   | Takedown                   | Takedown                   | Takedown                   |
| 0 2021              |                            |                            | 1/4                        |                            | 1/4                        |                            |
| 1 2022              |                            |                            | 1/4                        |                            | 1/4                        | 1/4                        |
| 2 2023              |                            |                            | 3/8                        |                            | 3/8                        | 1/4                        |
| 3 2024              |                            |                            | 3/8                        |                            | 3/8                        | 3/8                        |
| 4 2025              |                            |                            | 3/8                        |                            | 1/2                        | 1/2                        |
| 5 2026              |                            |                            | 1/2                        |                            | 1/2                        | 1/2                        |
| 6 2027              |                            |                            | 1/2                        | 1/2                        | 1/2                        | 1/2                        |
| 7 2028              | 3/8                        |                            | 1/2                        | 1/2                        | 1/2                        | 1/2                        |
| 8 2029              | 3/8                        |                            | 5/8                        | 1/2                        | 5/8                        | 1/2                        |
| 9 2030              | 1/2                        |                            | 5/8                        | 1/2                        | 5/8                        | 1/2                        |
| 10 2031             | 1/2                        |                            | 5/8                        | 5/8                        | 5/8                        | 1/2                        |
| 11 2032             | 1/2                        |                            | 5/8                        | 5/8                        | 5/8                        | 1/2                        |
| 12 2033             | 1/2                        |                            | 5/8                        | 5/8                        | 5/8                        | 5/8                        |
| 13 2034             |                            |                            |                            |                            |                            |                            |
| 14 2035             |                            |                            |                            | 5/8                        |                            |                            |
| 15 2036             | 5/8                        |                            | 5/8                        |                            | 5/8                        | 5/8                        |
| 16 2037             |                            |                            |                            |                            |                            |                            |
| 17 2038             |                            |                            |                            |                            |                            |                            |
| 18 2039             |                            |                            |                            |                            |                            |                            |
| 19 2040             |                            |                            |                            |                            |                            |                            |
| 20 2041             |                            |                            | 5/8                        |                            | 5/8                        | 5/8                        |
| 21 2042             |                            |                            |                            |                            |                            |                            |
| 22 2043             |                            |                            |                            |                            |                            |                            |
| 23 2044             |                            |                            |                            |                            |                            |                            |
| 24 2045             |                            |                            |                            |                            |                            |                            |
| 25 2046             |                            |                            |                            |                            |                            |                            |
| 26 2047             |                            |                            |                            |                            |                            |                            |
| 27 2048             |                            |                            |                            |                            |                            |                            |
| 28 2049             |                            |                            |                            |                            |                            |                            |
| 29 2050             |                            |                            |                            |                            |                            |                            |
| 30 2051             |                            |                            |                            |                            |                            |                            |
| 31 2052             |                            |                            |                            |                            |                            |                            |
| PAC                 | 1/2                        |                            | 1/2                        | 1/2                        | 1/2                        | 1/2                        |
| Sr Manager          | Barclays                   | J.P. Morgan                | Raymond James              | BofA                       | Jefferies                  | J.P. Morgan                |

**NON-AMT SINGLE FAMILY HOUSING BOND TAKEDOWN COMPARABLES, PAST THREE MONTHS PLUS EARLIER MSHDA**

|                     |                            |                            |                            |                            |                            |                            |
|---------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Pricing Date        | 5/25/21                    | 5/19/21                    | 5/19/21                    | 5/19/21                    | 5/18/21                    | 5/13/21                    |
| Amount              | \$128,155,000              | \$154,145,000              | \$136,675,000              | \$8,000,000                | \$30,000,000               | \$120,000,000              |
| Issuer              | Wisconsin HEDA             | Minnesota HFA              | Pennsylvania HFA           | Pinellas Co. HFA (FL)      | West Virginia HDF          | North Dakota HFA           |
| Series              | 2021 Series A              | 2021 Series D              | Series 2021-135A           | 2021 Series A              | 2021 Series A              | 2021 Series A              |
| Program             | Single Family / Negotiated | Single Family / Negotiated | Single Family / Negotiated | Single Family / Negotiated | Single Family / Negotiated | Single Family / Negotiated |
| Rating(s)           | Aa2 / AA / -               | Aa1 / AA+ / -              | Aa1 / AA+ / -              | Aaa / - / -                | Aaa / AAA / -              | Aa1 / - / -                |
| Tax Status          | Non-AMT                    | Non-AMT                    | Non-AMT                    | Non-AMT                    | Non-AMT                    | Non-AMT                    |
| Maturity            |                            |                            |                            |                            |                            |                            |
| Year ('21 pricings) | Takedown                   | Takedown                   | Takedown                   | Takedown                   | Takedown                   | Takedown                   |
| 0 2021              | 1/4                        |                            |                            |                            |                            |                            |
| 1 2022              | 1/4                        | 1/4                        |                            |                            | 1/4                        | 1/8                        |
| 2 2023              | 3/8                        |                            |                            | 1/2                        | 3/8                        | 3/8                        |
| 3 2024              | 3/8                        |                            |                            | 1/2                        | 3/8                        | 3/8                        |
| 4 2025              | 1/2                        |                            |                            | 1/2                        | 3/8                        | 1/2                        |
| 5 2026              | 1/2                        |                            |                            | 1/2                        | 3/8                        | 1/2                        |
| 6 2027              | 1/2                        | 1/2                        |                            | 1/2                        | 1/2                        | 1/2                        |
| 7 2028              | 1/2                        | 5/8                        |                            | 5/8                        | 1/2                        | 1/2                        |
| 8 2029              | 5/8                        | 5/8                        |                            | 5/8                        | 1/2                        | 5/8                        |
| 9 2030              | 5/8                        | 5/8                        | 1/2                        | 5/8                        | 1/2                        | 5/8                        |
| 10 2031             | 5/8                        | 5/8                        | 1/2                        | 5/8                        | 1/2                        | 5/8                        |
| 11 2032             | 5/8                        | 5/8                        | 1/2                        | 5/8                        |                            | 5/8                        |
| 12 2033             |                            |                            | 1/2                        |                            | 1/2                        | 5/8                        |
| 13 2034             |                            |                            |                            |                            |                            |                            |
| 14 2035             |                            |                            |                            |                            |                            |                            |
| 15 2036             |                            | 5/8                        | 5/8                        | 5/8                        | 1/2                        | 5/8                        |
| 16 2037             |                            |                            |                            |                            |                            |                            |
| 17 2038             |                            |                            |                            |                            |                            |                            |
| 18 2039             |                            |                            |                            |                            |                            |                            |
| 19 2040             |                            |                            |                            |                            |                            |                            |
| 20 2041             |                            | 5/8                        | 5/8                        | 5/8                        | 5/8                        | 5/8                        |
| 21 2042             |                            |                            |                            |                            |                            |                            |
| 22 2043             |                            |                            |                            |                            |                            |                            |
| 23 2044             |                            |                            |                            |                            |                            | 5/8                        |
| 24 2045             |                            |                            |                            |                            |                            |                            |
| 25 2046             |                            | 5/8                        | 5/8                        | 5/8                        | 5/8                        |                            |
| 26 2047             |                            |                            |                            |                            |                            |                            |
| 27 2048             |                            |                            |                            |                            |                            |                            |
| 28 2049             |                            |                            |                            |                            |                            |                            |
| 29 2050             |                            |                            | 5/8                        |                            |                            |                            |
| 30 2051             |                            |                            |                            | 5/8                        | 5/8                        |                            |
| 31 2052             |                            | 5/8                        |                            |                            |                            |                            |
| PAC                 | 5/8                        | 5/8                        | 1/2                        | 1/2                        |                            | 5/8                        |
| Sr Manager          | RBC Capital Markets        | RBC Capital Markets        | Barclays                   | RBC Capital Markets        | Raymond James              | RBC Capital Markets        |



# NON-AMT SINGLE FAMILY HOUSING BOND TAKEDOWN COMPARABLES, PAST THREE MONTHS PLUS EARLIER MSHDA

|                     |                            |                            |                            |                            |                            |                            |
|---------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Pricing Date        | 5/12/21                    | 5/11/21                    | 5/6/21                     | 10/29/20                   | 6/3/20                     | 10/8/19                    |
| Amount              | \$71,630,000               | \$92,080,000               | \$71,230,000               | \$151,630,000              | \$127,045,000              | \$261,825,000              |
| Issuer              | Washington SHFC            | Iowa FA                    | Massachusetts HFA          | Michigan SHDA              | Michigan SHDA              | Michigan SHDA              |
| Series              | 2021 Series 1N             | 2021 Series B              | Series 221                 | 2020 Series C              | 2020 Series A              | 2019 Series B              |
| Program             | Single Family / Negotiated | Single Family / Negotiated | Single Family / Negotiated | Single Family / Negotiated | Single Family / Negotiated | Single Family / Negotiated |
| Rating(s)           | Aaa / - / -                | Aaa / AAA / -              | Aa1 / AA+ / -              | Aa2 / AA+ / -              | Aa2 / AA+ / -              | Aa2 / AA+ / -              |
| Tax Status          | Non-AMT                    | Non-AMT                    | Non-AMT                    | Non-AMT                    | Non-AMT                    | Non-AMT                    |
| Maturity            |                            |                            |                            |                            |                            |                            |
| Year ('21 pricings) | Takedown                   | Takedown                   | Takedown                   | Takedown                   | Takedown                   | Takedown                   |
| 0 2021              | 1/4                        |                            | 1/4                        |                            | 1/4                        |                            |
| 1 2022              | 1/4                        | 1/4                        | 1/4                        | 1/4                        | 1/4                        | 1/4                        |
| 2 2023              | 3/8                        | 3/8                        | 3/8                        | 3/8                        | 3/8                        | 3/8                        |
| 3 2024              | 1/2                        | 3/8                        | 3/8                        | 3/8                        | 3/8                        | 3/8                        |
| 4 2025              | 1/2                        | 3/8                        | 3/8                        | 1/2                        | 1/2                        | 1/2                        |
| 5 2026              | 1/2                        | 1/2                        | 1/2                        | 1/2                        | 1/2                        | 1/2                        |
| 6 2027              | 1/2                        | 1/2                        | 1/2                        | 1/2                        | 1/2                        | 1/2                        |
| 7 2028              | 5/8                        | 1/2                        | 1/2                        | 1/2                        | 1/2                        | 1/2                        |
| 8 2029              | 5/8                        | 1/2                        | 5/8                        | 5/8                        | 5/8                        | 5/8                        |
| 9 2030              | 5/8                        | 5/8                        | 5/8                        | 5/8                        | 5/8                        | 5/8                        |
| 10 2031             | 5/8                        | 5/8                        | 5/8                        | 5/8                        | 5/8                        | 5/8                        |
| 11 2032             | 5/8                        | 5/8                        | 5/8                        | 5/8                        | 5/8                        | 5/8                        |
| 12 2033             | 5/8                        | 5/8                        | 5/8                        | 5/8                        |                            | 5/8                        |
| 13 2034             |                            |                            |                            |                            |                            |                            |
| 14 2035             |                            |                            |                            |                            |                            |                            |
| 15 2036             | 5/8                        | 5/8                        | 5/8                        | 5/8                        | 5/8                        | 5/8                        |
| 16 2037             |                            |                            |                            |                            |                            |                            |
| 17 2038             |                            |                            |                            |                            |                            |                            |
| 18 2039             |                            |                            |                            |                            |                            |                            |
| 19 2040             |                            |                            |                            |                            |                            |                            |
| 20 2041             | 5/8                        | 5/8                        | 5/8                        | 5/8                        | 5/8                        | 5/8                        |
| 21 2042             |                            |                            |                            |                            |                            |                            |
| 22 2043             |                            |                            |                            |                            |                            |                            |
| 23 2044             |                            |                            | 5/8                        |                            |                            |                            |
| 24 2045             |                            | 5/8                        |                            |                            |                            |                            |
| 25 2046             |                            |                            |                            |                            | 5/8                        | 5/8                        |
| 26 2047             |                            |                            |                            |                            |                            |                            |
| 27 2048             |                            |                            |                            |                            |                            |                            |
| 28 2049             |                            |                            |                            |                            |                            |                            |
| 29 2050             |                            |                            |                            |                            |                            |                            |
| 30 2051             |                            |                            |                            |                            | 5/8                        |                            |
| 31 2052             |                            |                            |                            | 5/8                        |                            | 5/8                        |
| PAC                 | 1/2                        | 1/2                        | 1/2                        | 1/2                        | 1/2                        | 1/2                        |
| Sr Manager          | RBC Capital Markets        | RBC Capital Markets        | RBC Capital Markets        | Barclays                   | RBC Capital Markets        | Barclays                   |

**NON-AMT SINGLE FAMILY HOUSING BOND TAKEDOWN COMPARABLES, PAST THREE MONTHS PLUS EARLIER MSHDA**

|                     |                            |
|---------------------|----------------------------|
| Pricing Date        | 3/13/19                    |
| Amount              | \$233,925,000              |
| Issuer              | Michigan SHDA              |
| Series              | 2019 Series A              |
| Program             | Single Family / Negotiated |
| Rating(s)           | Aa2 / AA+ / -              |
| Tax Status          | Non-AMT                    |
| Maturity            |                            |
| Year ('21 pricings) | Takedown                   |
| 0 2021              | 1/4                        |
| 1 2022              | 3/8                        |
| 2 2023              | 3/8                        |
| 3 2024              | 1/2                        |
| 4 2025              | 1/2                        |
| 5 2026              | 1/2                        |
| 6 2027              | 1/2                        |
| 7 2028              | 5/8                        |
| 8 2029              | 5/8                        |
| 9 2030              | 5/8                        |
| 10 2031             | 5/8                        |
| 11 2032             | 5/8                        |
| 12 2033             | 5/8                        |
| 13 2034             |                            |
| 14 2035             |                            |
| 15 2036             | 5/8                        |
| 16 2037             |                            |
| 17 2038             |                            |
| 18 2039             |                            |
| 19 2040             |                            |
| 20 2041             | 5/8                        |
| 21 2042             |                            |
| 22 2043             |                            |
| 23 2044             |                            |
| 24 2045             |                            |
| 25 2046             | 5/8                        |
| 26 2047             |                            |
| 27 2048             |                            |
| 28 2049             |                            |
| 29 2050             |                            |
| 30 2051             | 5/8                        |
| 31 2052             |                            |
|                     |                            |
| PAC                 | 5/8                        |
|                     |                            |
| Sr Manager          | RBC Capital Markets        |

**TAXABLE HOUSING BOND TAKEDOWN COMPARABLES, PAST SIX MONTHS PLUS EARLIER MSHDA**

| Pricing Date        | 7/29/21                    | 7/20/21                  | 7/14/21                    | 6/30/21                    | 6/22/21                  | 6/15/21                  | 6/8/21                     |
|---------------------|----------------------------|--------------------------|----------------------------|----------------------------|--------------------------|--------------------------|----------------------------|
| Amount              | \$111,025,000              | \$22,545,000             | \$20,000,000               | \$45,865,000               | \$5,655,000              | \$80,000,000             | \$19,280,000               |
| Issuer              | Michigan SHDA              | New Hampshire HFA        | South Dakota HDA           | SONYMA                     | New York State HFA       | Virginia HDA             | Illinois HDA               |
| Series              | 2021 Series B              | 2021 Series 2            | 2021 Series C              | Series 237                 | 2021 Series F            | 2021 Series E            | 2021 Series C              |
| Program             | Single Family / Negotiated | Multifamily / Negotiated | Single Family / Negotiated | Single Family / Negotiated | Multifamily / Negotiated | Multifamily / Negotiated | Single Family / Negotiated |
| Rating(s)           | Aa2 / AA+ / -              | Aaa / - / -              | Aaa / AAA / -              | Aa1 / - / -                | Aa2 / - / -              | Aa1 / AA+ / -            | Aaa / - / -                |
| Tax Status          | Taxable                    | Taxable                  | Taxable                    | Taxable                    | Taxable                  | Taxable                  | Taxable                    |
| Maturity            |                            |                          |                            |                            |                          |                          |                            |
| Year ('21 pricings) | Takedown                   | Takedown                 | Takedown                   | Takedown                   | Takedown                 | Takedown                 | Takedown                   |
| 0 2021              | 1/4                        |                          |                            |                            |                          |                          |                            |
| 1 2022              | 1/4                        | 1/4                      | 1/4                        |                            |                          |                          | 1/4                        |
| 2 2023              | 3/8                        | 1/4                      | 3/8                        |                            |                          | 1/4                      | 3/8                        |
| 3 2024              | 3/8                        | 3/8                      | 3/8                        |                            |                          | 3/8                      | 3/8                        |
| 4 2025              | 1/2                        | 3/8                      | 1/2                        | 1/4, 3/8                   | 3/8                      | 3/8                      | 1/2                        |
| 5 2026              | 1/2                        | 3/8                      | 1/2                        | 3/8                        |                          | 1/2                      | 1/2                        |
| 6 2027              | 1/2                        | 1/2                      | 1/2                        | 3/8                        |                          | 1/2                      | 1/2                        |
| 7 2028              | 1/2                        | 1/2                      | 1/2                        | 3/8                        |                          | 1/2                      | 1/2                        |
| 8 2029              | 5/8                        | 1/2                      | 5/8                        | 3/8                        |                          | 1/2                      | 5/8                        |
| 9 2030              | 5/8                        | 1/2                      | 5/8                        | 1/2                        |                          | 1/2                      | 5/8                        |
| 10 2031             | 5/8                        | 1/2                      |                            |                            |                          | 1/2                      | 5/8                        |
| 11 2032             | 5/8                        | 1/2                      |                            |                            |                          | 1/2                      |                            |
| 12 2033             | 5/8                        |                          |                            |                            |                          | 1/2                      |                            |
| 13 2034             |                            |                          |                            |                            |                          | 1/2                      |                            |
| 14 2035             |                            |                          |                            |                            |                          | 1/2                      |                            |
| 15 2036             | 5/8                        | 1/2                      |                            |                            |                          | 1/2                      |                            |
| 16 2037             |                            |                          |                            |                            |                          |                          |                            |
| 17 2038             |                            |                          |                            |                            |                          |                          |                            |
| 18 2039             |                            |                          |                            |                            |                          |                          |                            |
| 19 2040             |                            |                          |                            |                            |                          |                          |                            |
| 20 2041             | 5/8                        | 5/8                      |                            |                            |                          | 5/8                      |                            |
| 21 2042             |                            |                          |                            |                            |                          |                          |                            |
| 22 2043             |                            |                          |                            |                            |                          |                          |                            |
| 23 2044             |                            |                          |                            |                            |                          |                          |                            |
| 24 2045             |                            |                          |                            |                            |                          |                          |                            |
| 25 2046             | 5/8                        | 5/8                      |                            |                            |                          | 5/8                      |                            |
| 26 2047             |                            |                          |                            |                            |                          |                          |                            |
| 27 2048             |                            |                          |                            |                            |                          |                          |                            |
| 28 2049             |                            |                          |                            |                            |                          |                          |                            |
| 29 2050             |                            |                          |                            |                            |                          |                          |                            |
| 30 2051             |                            | 5/8                      |                            |                            |                          | 5/8                      |                            |
| 31 2052             | 5/8                        |                          |                            |                            |                          |                          |                            |
| 32 2053             |                            | 5/8                      |                            |                            |                          |                          |                            |
| 33 2054             |                            |                          |                            |                            |                          |                          |                            |
| 34 2055             |                            |                          |                            |                            |                          |                          |                            |
| 35 2056             |                            |                          |                            |                            |                          | 5/8                      |                            |
| Sr Manager          | Barclays                   | BofA                     | Wells Fargo                | Barclays                   | Morgan Stanley           | BofA                     | Jefferies                  |

**TAXABLE HOUSING BOND TAKEDOWN COMPARABLES, PAST SIX MONTHS PLUS EARLIER MSHDA**

| Pricing Date        | 6/3/21                   | 5/11/21                  | 5/11/21                    | 4/20/21                    | 4/14/21                  | 4/8/21                   | 3/23/21                    |
|---------------------|--------------------------|--------------------------|----------------------------|----------------------------|--------------------------|--------------------------|----------------------------|
| Amount              | \$73,420,000             | \$1,900,000              | \$5,000,000                | \$47,455,000               | \$150,000,000            | \$101,620,000            | \$8,225,000                |
| Issuer              | Michigan SHDA            | Colorado HFA             | Iowa FA                    | Connecticut HFA            | New York City HDC        | Virginia HDA             | Colorado HFA               |
| Series              | 2021 Series B            | 2021 S. D (Atlantis II)  | 2021 Series C              | 2021 Series B-4            | 2021 Series D            | 2021 Series C            | 2021 S. B (Green Vly Ranch |
| Program             | Multifamily / Negotiated | Multifamily / Negotiated | Single Family / Negotiated | Single Family / Negotiated | Multifamily / Negotiated | Multifamily / Negotiated | Multifamily / Negotiated   |
| Rating(s)           | - / AA / -               | Aaa / AAA / -            | Aaa / AAA / -              | Aaa / AAA / -              | Aa2 / AA+ / -            | Aa1 / AA+ / -            | Aaa / AAA / -              |
| Tax Status          | Taxable                  | Taxable                  | Taxable                    | Taxable                    | Taxable                  | Taxable                  | Taxable                    |
| Maturity            |                          |                          |                            |                            |                          |                          |                            |
| Year ('21 pricings) | Takedown                 | Takedown                 | Takedown                   | Takedown                   | Takedown                 | Takedown                 | Takedown                   |
| 0 2021              | 1/8                      |                          |                            | 1/4                        |                          |                          |                            |
| 1 2022              | 1/4                      |                          | 1/4                        | 1/4                        | 3/8                      |                          |                            |
| 2 2023              | 1/4                      | 3/8                      | 3/8                        | 1/4                        | 3/8                      | 3/8                      |                            |
| 3 2024              | 3/8                      |                          | 3/8                        | 3/8                        | 3/8                      | 3/8                      | 3/8                        |
| 4 2025              | 3/8                      |                          |                            | 3/8                        | 1/2                      | 3/8                      |                            |
| 5 2026              | 3/8                      |                          |                            | 1/2                        | 1/2                      | 1/2                      |                            |
| 6 2027              | 1/2                      |                          |                            | 1/2                        | 1/2                      | 1/2                      |                            |
| 7 2028              | 1/2                      |                          |                            | 1/2                        | 1/2                      | 1/2                      |                            |
| 8 2029              | 1/2                      |                          |                            | 1/2                        | 1/2                      | 1/2                      |                            |
| 9 2030              | 1/2                      |                          |                            | 1/2                        | 1/2                      | 1/2                      |                            |
| 10 2031             | 1/2                      |                          |                            | 1/2                        | 1/2                      | 1/2                      |                            |
| 11 2032             | 1/2                      |                          |                            |                            | 1/2                      | 5/8                      |                            |
| 12 2033             | 1/2                      |                          |                            |                            |                          | 5/8                      |                            |
| 13 2034             | 1/2                      |                          |                            |                            |                          | 5/8                      |                            |
| 14 2035             | 1/2                      |                          |                            |                            |                          | 5/8                      |                            |
| 15 2036             | 1/2                      |                          |                            | 5/8                        | 5/8                      | 5/8                      |                            |
| 16 2037             |                          |                          |                            |                            |                          |                          |                            |
| 17 2038             |                          |                          |                            |                            |                          |                          |                            |
| 18 2039             |                          |                          |                            |                            |                          |                          |                            |
| 19 2040             |                          |                          |                            |                            |                          |                          |                            |
| 20 2041             | 5/8                      |                          |                            | 5/8                        | 5/8                      | 5/8                      |                            |
| 21 2042             |                          |                          |                            |                            |                          |                          |                            |
| 22 2043             |                          |                          |                            |                            |                          |                          |                            |
| 23 2044             |                          |                          |                            |                            |                          |                          |                            |
| 24 2045             |                          |                          |                            |                            |                          |                          |                            |
| 25 2046             | 5/8                      |                          |                            |                            | 5/8                      | 5/8                      |                            |
| 26 2047             |                          |                          |                            |                            |                          |                          |                            |
| 27 2048             | 5/8                      |                          |                            |                            |                          |                          |                            |
| 28 2049             |                          |                          |                            |                            |                          |                          |                            |
| 29 2050             |                          |                          |                            |                            |                          |                          |                            |
| 30 2051             |                          |                          |                            | 5/8                        | 5/8                      | 5/8                      |                            |
| 31 2052             |                          |                          |                            |                            |                          |                          |                            |
| 32 2053             |                          |                          |                            |                            |                          |                          |                            |
| 33 2054             |                          |                          |                            |                            |                          |                          |                            |
| 34 2055             |                          |                          |                            |                            |                          |                          |                            |
| 35 2056             |                          |                          |                            |                            |                          | 5/8                      |                            |
| Sr Manager          | BofA                     | Barclays                 | RBC Capital Markets        | RBC Capital Markets        | Wells Fargo              | Raymond James            | Barclays                   |

**TAXABLE HOUSING BOND TAKEDOWN COMPARABLES, PAST SIX MONTHS PLUS EARLIER MSHDA**

| Pricing Date        | 3/18/21                    | 2/23/21                  | 2/17/21                  | 2/10/21                    | 10/29/20                   | 10/14/20                 | 6/3/20                     |
|---------------------|----------------------------|--------------------------|--------------------------|----------------------------|----------------------------|--------------------------|----------------------------|
| Amount              | \$17,865,000               | \$212,000,000            | \$81,590,000             | \$70,370,000               | \$93,060,000               | \$23,075,000             | \$100,000,000              |
| Issuer              | North Carolina HFA         | New York City HDC        | Virginia HDA             | Connecticut HFA            | Michigan SHDA              | Michigan SHDA            | Michigan SHDA              |
| Series              | Series 46-B                | 2021 Series B            | 2021 Series A            | 2021 Series A-4            | 2020 Series D              | 2020 Series B            | 2020 Series B              |
| Program             | Single Family / Negotiated | Multifamily / Negotiated | Multifamily / Negotiated | Single Family / Negotiated | Single Family / Negotiated | Multifamily / Negotiated | Single Family / Negotiated |
| Rating(s)           | Aa1 / AA+ / -              | Aa2 / AA+ / -            | Aa1 / AA+ / -            | Aaa / AAA / -              | Aa2 / AA+ / -              | - / AA / -               | Aa2 / AA+ / -              |
| Tax Status          | Taxable                    | Taxable                  | Taxable                  | Taxable                    | Taxable                    | Taxable                  | Taxable                    |
| Maturity            |                            |                          |                          |                            |                            |                          |                            |
| Year ('21 pricings) | Takedown                   | Takedown                 | Takedown                 | Takedown                   | Takedown                   | Takedown                 | Takedown                   |
| 0 2021              |                            |                          |                          |                            |                            |                          | 0.25                       |
| 1 2022              | 1/4                        |                          |                          | 1/4                        | 1/4                        | 1/8                      | 0.25                       |
| 2 2023              | 1/4                        |                          |                          |                            | 3/8                        | 1/4                      | 0.375                      |
| 3 2024              | 3/8                        | 3/8                      | 3/8                      |                            | 3/8                        | 3/8                      | 0.375                      |
| 4 2025              | 3/8                        | 1/2                      | 3/8                      |                            | 1/2                        | 3/8                      | 0.5                        |
| 5 2026              | 1/2                        | 1/2                      | 1/2                      |                            | 1/2                        | 3/8                      | 0.5                        |
| 6 2027              |                            | 1/2                      | 1/2                      |                            | 1/2                        | 1/2                      | 0.5                        |
| 7 2028              |                            | 1/2                      | 1/2                      |                            | 1/2                        | 1/2                      | 0.5                        |
| 8 2029              |                            | 1/2                      | 1/2                      |                            | 5/8                        | 1/2                      | 0.625                      |
| 9 2030              |                            | 1/2                      | 1/2                      |                            | 5/8                        | 1/2                      | 0.625                      |
| 10 2031             |                            | 1/2                      | 1/2                      |                            | 5/8                        | 1/2                      | 0.625                      |
| 11 2032             |                            | 1/2                      | 5/8                      |                            | 5/8                        | 1/2                      |                            |
| 12 2033             |                            |                          | 5/8                      |                            | 5/8                        |                          |                            |
| 13 2034             |                            |                          | 5/8                      |                            |                            |                          |                            |
| 14 2035             |                            |                          | 5/8                      |                            |                            |                          |                            |
| 15 2036             |                            | 5/8                      | 5/8                      |                            | 5/8                        | 1/2                      | 0.625                      |
| 16 2037             |                            |                          |                          |                            |                            |                          |                            |
| 17 2038             |                            |                          |                          |                            |                            |                          |                            |
| 18 2039             |                            |                          |                          |                            |                            |                          |                            |
| 19 2040             |                            |                          |                          |                            |                            |                          |                            |
| 20 2041             |                            | 5/8                      | 5/8                      |                            | 5/8                        |                          | 0.625                      |
| 21 2042             |                            |                          |                          |                            |                            |                          |                            |
| 22 2043             |                            |                          |                          |                            |                            |                          |                            |
| 23 2044             |                            |                          |                          |                            |                            |                          |                            |
| 24 2045             |                            |                          |                          |                            |                            |                          |                            |
| 25 2046             |                            | 5/8                      | 5/8                      |                            | 5/8                        |                          |                            |
| 26 2047             |                            |                          |                          |                            |                            |                          |                            |
| 27 2048             |                            |                          |                          |                            |                            |                          |                            |
| 28 2049             |                            |                          |                          |                            |                            |                          |                            |
| 29 2050             |                            |                          |                          |                            |                            |                          |                            |
| 30 2051             |                            |                          | 5/8                      |                            |                            |                          | 0.625                      |
| 31 2052             |                            |                          |                          |                            | 5/8                        |                          |                            |
| 32 2053             |                            |                          |                          |                            |                            |                          |                            |
| 33 2054             |                            |                          |                          |                            |                            |                          |                            |
| 34 2055             |                            |                          |                          |                            |                            |                          |                            |
| 35 2056             |                            |                          | 5/8                      |                            |                            |                          |                            |
| Sr Manager          | BofA                       | Citigroup                | Wells Fargo              | Citigroup                  | Barclays                   | BofA                     | RBC Capital Markets        |

**TAXABLE HOUSING BOND TAKEDOWN COMPARABLES, PAST SIX MONTHS PLUS EARLIER MSHDA**

|                     |                            |
|---------------------|----------------------------|
| Pricing Date        | 10/8/19                    |
| Amount              | \$63,175,000               |
| Issuer              | Michigan SHDA              |
| Series              | 2019 Series C              |
| Program             | Single Family / Negotiated |
| Rating(s)           | Aa2 / AA+ / -              |
| Tax Status          | Taxable                    |
| Maturity            |                            |
| Year ('21 pricings) | Takedown                   |
| 0 2021              |                            |
| 1 2022              | 0.25                       |
| 2 2023              | 0.375                      |
| 3 2024              | 0.375                      |
| 4 2025              | 0.5                        |
| 5 2026              | 0.5                        |
| 6 2027              | 0.5                        |
| 7 2028              | 0.5                        |
| 8 2029              | 0.625                      |
| 9 2030              | 0.625                      |
| 10 2031             | 0.625                      |
| 11 2032             | 0.625                      |
| 12 2033             | 0.625                      |
| 13 2034             |                            |
| 14 2035             |                            |
| 15 2036             | 0.625                      |
| 16 2037             |                            |
| 17 2038             |                            |
| 18 2039             |                            |
| 19 2040             |                            |
| 20 2041             | 0.625                      |
| 21 2042             |                            |
| 22 2043             |                            |
| 23 2044             |                            |
| 24 2045             |                            |
| 25 2046             | 0.625                      |
| 26 2047             |                            |
| 27 2048             |                            |
| 28 2049             |                            |
| 29 2050             |                            |
| 30 2051             |                            |
| 31 2052             | 0.625                      |
| 32 2053             |                            |
| 33 2054             |                            |
| 34 2055             |                            |
| 35 2056             |                            |
| Sr Manager          | Barclays                   |

## SECTION 4

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### Implications from the Sale

➤ ***Traditional Housing Bonds.***

- Favorable Spreads. Except for the period of severe market disruptions following the onset of the COVID-19 pandemic in the US, since 2019, traditional new-money tax-exempt housing bonds have continued to achieve unusually attractive yields for financing affordable housing loans, aided by strong net investment inflows to municipal bond funds, heavy redemptions of outstanding bonds, and moderate overall supplies of new municipal bonds.
- Best Execution. With the Federal Reserve’s aggressive bond purchases in response to the pandemic, prices for selling guaranteed mortgage securities directly in the taxable mortgage (“TBA”) market have recovered their attractiveness relative to bond-funding single family loans. Still, traditional mortgage revenue bond issues remain unusually favorable relative to today’s affordable mortgage lending rates.
- Blended Tax-Exempt and Taxable Issues. MSHDA’s strategy of combining fixed rate tax-exempt and taxable components in its recent single family bond issues has served it well in flexibly managing compliance with tax requirements on tax-exempt bonds, while allowing the Authority to increase its economic return. MSHDA’s 2021 Series A achieved the maximum allowable earnings under the federal tax code without use of variable rate bond structures, saving such tools for times when spreads between tax-exempt and taxable rates may be more compressed. The 2021 Series B yields were so attractive, they supported a \$111.025 million taxable component with a higher overall spread.
- Volume Cap Preservation. While a growing number of HFAs have been operating under tight private activity bond cap constraints, MSHDA’s recent taxable bond components have been helpful in postponing the time when the Authority’s bond cap may be in short supply.
- Changing Investor Preferences. While low absolute bond yields and maximum allowable spreads between tax-exempt bond rates and program mortgage rates remain especially favorable for bond issuers, economic uncertainty and low absolute rates have eroded investor interest in longer serial maturities and intermediate term bonds.

➤ ***Lower Reinvestment Costs.*** Today’s very low short term reinvestment rates relative to financing interest costs favor smaller more frequent bond issues and emphasize benefits from: 1) shortening the period of exposure to the risk of rising bond rates on an origination pipeline; 2) limiting the time to acquire mortgage loans with bond proceeds; and 3) issuing bonds against a mortgage loan pipeline earlier in the accumulation of new loan commitments. Mortgages and mortgage-backed securities continue to be attractive for both interim and longer-term reinvestment strategies.

➤ ***On-Balance-Sheet Assets.*** MSHDA has been among the HFAs most successful in maintaining a growing portfolio of affordable mortgages financed on-balance-sheet, generating earnings to support the Authority’s operations and programs in years to come.

➤ ***Capital for Growth.*** To maintain stable bond credit ratings, continuing strong single-family mortgage portfolio growth heightens the need for capital in the Single-Family Mortgage Revenue Bond resolution to sustain financing and loan risks and to support downpayment assistance. While additions of earning mortgage loan assets will provide revenues for



Authority programs and operations into the future, strong growth dilutes the buffer of accumulated capital that insulates the resolution from normal program and financing risks, underscoring the importance of continuing to closely manage program risk exposures.

- ***Social Bonds.*** Though the designation of a new bond issue as “Social Bonds” does not presently assure savings in interest costs, in a difficult market with heavy competition it may attract a few more buyers and result in marginally more favorable yields than bond offerings without the designation. MSHDA’s single-family bonds readily qualified for social bond status. The qualification hurdles for rental housing bonds are greater.

## SECTION 5

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### 2021 Series AB – Summary of Orders and Allotments by Syndicate Member

177,570,000

**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY**  
**Single-Family Mortgage Revenue Bonds 2021 Series A (Non-AMT)**  
**Social Bonds**

| Underwriter  | Member<br>Orders | Member<br>Allots | %      | Desi<br>Allots | Member &<br>Pri<br>Retail<br>Orders | Member &<br>Pri<br>Retail<br>Allots | %      | Priority<br>Orders | Priority<br>Allots | %      | Total<br>Orders | Total<br>Allots | %     |
|--|------------------|------------------|--------|----------------|-------------------------------------|-------------------------------------|--------|--------------------|--------------------|--------|-----------------|-----------------|-------|
| 1-Manager  |                  |                  |        |                |                                     |                                     |        |                    |                    |        |                 |                 |       |
| Barclays Capital Inc.  | 10,360           | 12,365           | 119.35 | 143,850        | 26,245                              | 11,025                              | 42.01  | 266,750            | 143,850            | 53.93  | 303,355         | 167,240         | 55.13 |
| BofA Securities  | 0                | 0                | 0.00   | 0              | 6,585                               | 3,530                               | 53.61  | 0                  | 0                  | 0.00   | 6,585           | 3,530           | 53.61 |
| Citigroup Global<br>Markets Inc.   | 9,000            | 0                | 0.00   | 0              | 855                                 | 570                                 | 66.67  | 0                  | 0                  | 0.00   | 9,855           | 570             | 5.78  |
| J.P. Morgan<br>Securities LLC  | 9,000            | 0                | 0.00   | 0              | 2,550                               | 1,145                               | 44.90  | 0                  | 0                  | 0.00   | 11,550          | 1,145           | 9.91  |
| Morgan Stanley &<br>Co. LLC  | 7,000            | 0                | 0.00   | 0              | 7,475                               | 2,150                               | 28.76  | 0                  | 0                  | 0.00   | 14,475          | 2,150           | 14.85 |
| Raymond James &<br>Associates, Inc.  | 20,000           | 0                | 0.00   | 0              | 7,780                               | 2,760                               | 35.48  | 600                | 0                  | 0.00   | 28,380          | 2,760           | 9.73  |
| Wells Fargo<br>Corporate &<br>Investment Banking<br>(trade name for<br>WFBNA Municipal<br>Finance Group) | 20,000           | 0                | 0.00   | 100            | 75                                  | 75                                  | 100.00 | 100                | 100                | 100.00 | 20,175          | 175             | 0.87  |
| Bracket Total  | 75,360           | 12,365           | 16.41  | 143,950        | 51,565                              | 21,255                              | 41.22  | 267,450            | 143,950            | 53.82  | 394,375         | 177,570         | 45.03 |
| 2-Selling Group  |                  |                  |        |                |                                     |                                     |        |                    |                    |        |                 |                 |       |
| Baird  | 0                | 0                | 0.00   | 0              | 130                                 | 0                                   | 0.00   | 0                  | 0                  | 0.00   | 130             | 0               | 0.00  |
| Drexel Hamilton,<br>LLC  | 0                | 0                | 0.00   | 0              | 0                                   | 0                                   | 0.00   | 0                  | 0                  | 0.00   | 0               | 0               | 0.00  |
| Grand Total  | 75,360           | 12,365           | 16.41  | 143,950        | 51,695                              | 21,255                              | 41.12  | 267,450            | 143,950            | 53.82  | 394,505         | 177,570         | 45.01 |

| Underwriter                 | Member Orders | Member Allots | %     | Desi Allots | Member & Pri Retail Orders | Member & Pri Retail Allots | %     | Priority Orders | Priority Allots | %     | Total Orders | Total Allots | %     |
|-----------------------------|---------------|---------------|-------|-------------|----------------------------|----------------------------|-------|-----------------|-----------------|-------|--------------|--------------|-------|
| HilltopSecurities           | 0             | 0             | 0.00  | 0           | 0                          | 0                          | 0.00  | 0               | 0               | 0.00  | 0            | 0            | 0.00  |
| Jefferies LLC               | 0             | 0             | 0.00  | 0           | 0                          | 0                          | 0.00  | 0               | 0               | 0.00  | 0            | 0            | 0.00  |
| UBS Financial Services Inc. | 0             | 0             | 0.00  | 0           | 0                          | 0                          | 0.00  | 0               | 0               | 0.00  | 0            | 0            | 0.00  |
| Bracket Total               | 0             | 0             | 0.00  | 0           | 130                        | 0                          | 0.00  | 0               | 0               | 0.00  | 130          | 0            | 0.00  |
| Grand Total                 | 75,360        | 12,365        | 16.41 | 143,950     | 51,695                     | 21,255                     | 41.12 | 267,450         | 143,950         | 53.82 | 394,505      | 177,570      | 45.01 |

111,025,000

**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY**  
**Single-Family Mortgage Revenue Bonds 2021 Series B (Federally Taxable)**  
**Social Bonds**

| Underwriter  | Member<br>Orders | Member<br>Allots | %    | Desi<br>Allots | Member &<br>Pri<br>Retail<br>Orders | Member &<br>Pri<br>Retail<br>Allots | %     | Priority<br>Orders | Priority<br>Allots | %     | Total<br>Orders | Total<br>Allots | %     |
|--|------------------|------------------|------|----------------|-------------------------------------|-------------------------------------|-------|--------------------|--------------------|-------|-----------------|-----------------|-------|
| 1-Manager  |                  |                  |      |                |                                     |                                     |       |                    |                    |       |                 |                 |       |
| Barclays Capital Inc.  | 0                | 1,110            | 0.00 | 104,545        | 0                                   | 0                                   | 0.00  | 301,435            | 104,545            | 34.68 | 301,435         | 105,655         | 35.05 |
| BofA Securities  | 0                | 0                | 0.00 | 1,260          | 1,020                               | 100                                 | 9.80  | 11,645             | 1,260              | 10.82 | 12,665          | 1,360           | 10.74 |
| Citigroup Global<br>Markets Inc.   | 0                | 0                | 0.00 | 0              | 1,485                               | 600                                 | 40.40 | 0                  | 0                  | 0.00  | 1,485           | 600             | 40.40 |
| J.P. Morgan<br>Securities LLC  | 6,000            | 0                | 0.00 | 465            | 600                                 | 170                                 | 28.33 | 3,290              | 465                | 14.13 | 9,890           | 635             | 6.42  |
| Morgan Stanley &<br>Co. LLC  | 0                | 0                | 0.00 | 175            | 0                                   | 0                                   | 0.00  | 3,040              | 175                | 5.76  | 3,040           | 175             | 5.76  |
| Raymond James &<br>Associates, Inc.  | 0                | 0                | 0.00 | 500            | 0                                   | 0                                   | 0.00  | 11,030             | 500                | 4.53  | 11,030          | 500             | 4.53  |
| Wells Fargo<br>Corporate &<br>Investment Banking<br>(trade name for<br>WFBNA Municipal<br>Finance Group) | 10,825           | 0                | 0.00 | 2,100          | 0                                   | 0                                   | 0.00  | 5,725              | 2,100              | 36.68 | 16,550          | 2,100           | 12.69 |
| Bracket Total  | 16,825           | 1,110            | 6.60 | 109,045        | 3,105                               | 870                                 | 28.02 | 336,165            | 109,045            | 32.44 | 356,095         | 111,025         | 31.18 |
| 2-Selling Group  |                  |                  |      |                |                                     |                                     |       |                    |                    |       |                 |                 |       |
| Baird  | 0                | 0                | 0.00 | 0              | 0                                   | 0                                   | 0.00  | 0                  | 0                  | 0.00  | 0               | 0               | 0.00  |
| Drexel Hamilton,<br>LLC  | 0                | 0                | 0.00 | 0              | 0                                   | 0                                   | 0.00  | 1,020              | 0                  | 0.00  | 1,020           | 0               | 0.00  |
| Grand Total  | 16,825           | 1,110            | 6.60 | 109,045        | 3,105                               | 870                                 | 28.02 | 337,185            | 109,045            | 32.34 | 357,115         | 111,025         | 31.09 |

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**Order/Allotment Percentage Breakdown**


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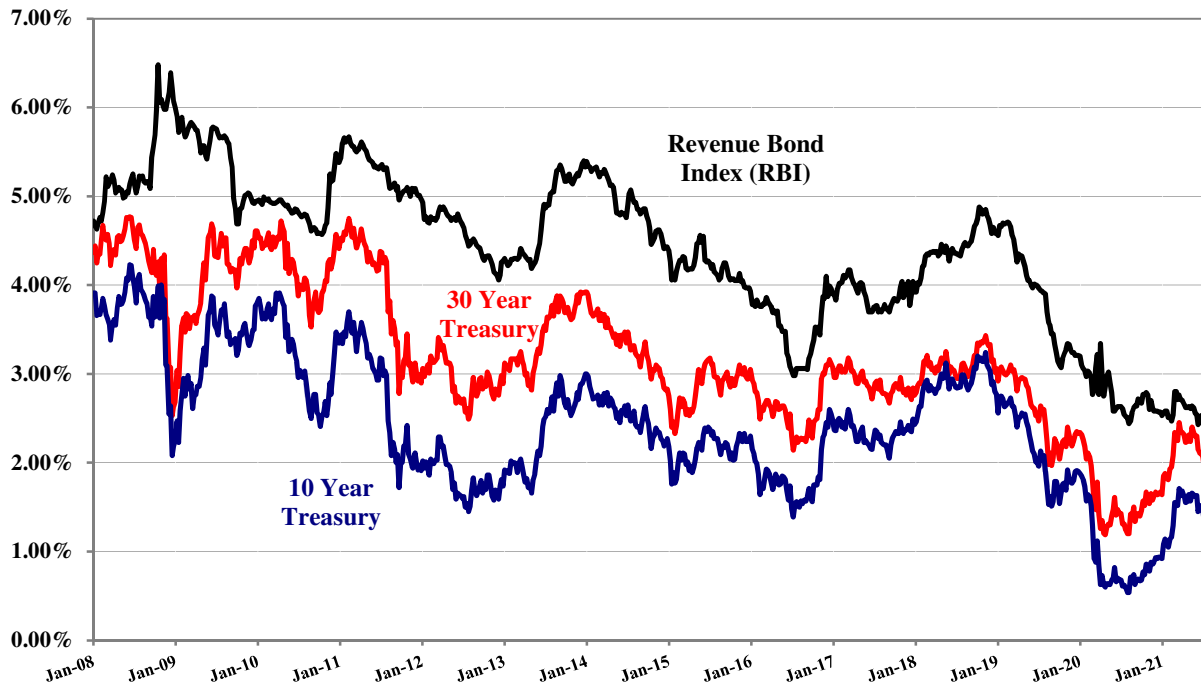
| Underwriter                 | Member Orders | Member Allots | %    | Desi Allots | Member & Pri Retail Orders | Member & Pri Retail Allots | %     | Priority Orders | Priority Allots | %     | Total Orders | Total Allots | %     |
|-----------------------------|---------------|---------------|------|-------------|----------------------------|----------------------------|-------|-----------------|-----------------|-------|--------------|--------------|-------|
| HilltopSecurities           | 0             | 0             | 0.00 | 0           | 0                          | 0                          | 0.00  | 0               | 0               | 0.00  | 0            | 0            | 0.00  |
| Jefferies LLC               | 0             | 0             | 0.00 | 0           | 0                          | 0                          | 0.00  | 0               | 0               | 0.00  | 0            | 0            | 0.00  |
| UBS Financial Services Inc. | 0             | 0             | 0.00 | 0           | 0                          | 0                          | 0.00  | 0               | 0               | 0.00  | 0            | 0            | 0.00  |
| Bracket Total               | 0             | 0             | 0.00 | 0           | 0                          | 0                          | 0.00  | 1,020           | 0               | 0.00  | 1,020        | 0            | 0.00  |
| Grand Total                 | 16,825        | 1,110         | 6.60 | 109,045     | 3,105                      | 870                        | 28.02 | 337,185         | 109,045         | 32.34 | 357,115      | 111,025      | 31.09 |

## SECTION 6

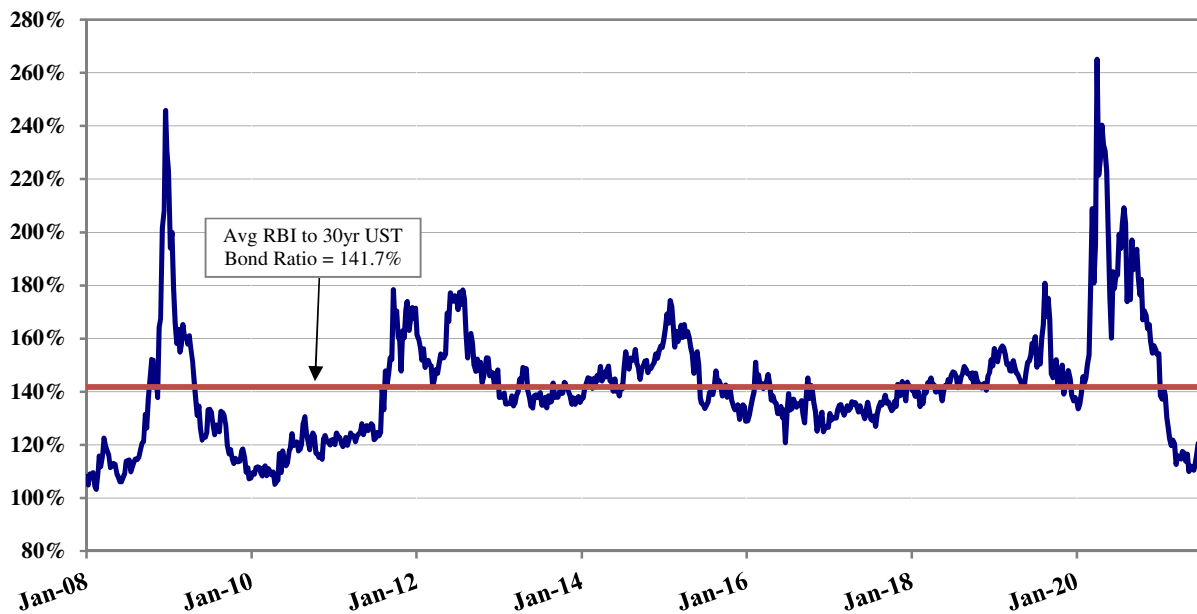
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### Graphs of Key Bond Market Indices

## Revenue Bond Index, 10-Year UST, and 30-Year UST Jan 2008 - present



## Revenue Bond Index as a Percentage of 30-Year UST Jan 2008 - present



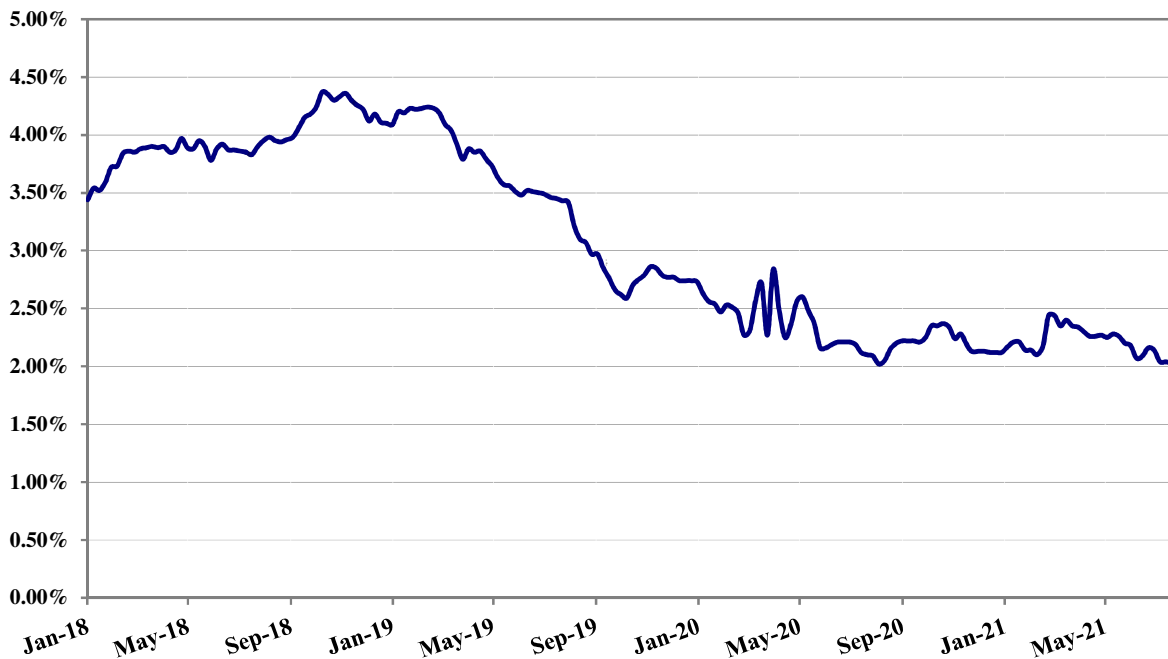
- The RBI is an index reported weekly made up of revenue bonds with 30 year maturity and an average rating of A1/A+.



## Bond Buyer G.O. Bond Index (BBI) Jan 2008 - present



## Bond Buyer G.O. Bond Index (BBI) Jan 2018 to present



- The BBI consists of 20 general obligation bonds that mature in 20 years .  
It is reported weekly and has an average rating of Aa2/AA.



## M E M O R A N D U M

**TO:** Authority Members

**FROM:** Gary Heidel, Acting Executive Director

**DATE:** November 18, 2021

**RE:** 2022 Authority Meeting Schedule

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### **RECOMMENDATION:**

I recommend that the Michigan State Housing Development Authority ("Authority") approve the attached 2022 Authority Meeting Schedule and authorize the Executive Director or the Director of Legal Affairs, or anyone acting in either capacity, to cancel or reschedule regular meetings or schedule special meetings for the Authority.

### **EXECUTIVE SUMMARY:**

Authority staff prepared the attached meeting schedule to ensure regular, monthly meetings that accommodate the schedules of Authority staff and Authority members. Calendars for affordable housing conferences were also reviewed to limit scheduling conflicts. The meetings will continue to take place at the Authority's Lansing office and through teleconferencing.

Each meeting is scheduled for Thursday. The starting time for meetings will remain at 10 a.m.

### **ISSUES, POLICY CONSIDERATIONS, AND RELATED ACTIONS:**

None.

**NOTICE OF SCHEDULE OF REGULAR MEETINGS OF THE  
MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY  
TO BE HELD DURING THE CALENDAR YEAR COMMENCING  
JANUARY 1, 2022 AND ENDING DECEMBER 31, 2022**

**TO ALL PERSONS INTERESTED IN THE MEETINGS OF THE  
MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY**

PLEASE TAKE NOTICE that the Michigan State Housing Development Authority, 735 East Michigan Avenue, P.O. Box 30044, Lansing, Michigan 48909, telephone number (517) 335-9885 will hold regular meetings at the following dates, times, and places during the calendar year commencing January 1, 2022, and ending December 31, 2022:

**2022 MEETING DATES**

|             |           |              |
|-------------|-----------|--------------|
| January 20  | May 19    | September 15 |
| February 17 | June 16   | October 20   |
| March 17    | July 21   | November 17  |
| April 21    | August 18 | December 15  |

**TIME**

10:00 a.m.

**LOCATION FOR ALL MEETING DATES**

735 East Michigan Avenue  
Lansing, Michigan

***Available via Teleconference***

**DURING A STATEWIDE OR LOCAL STATE OF EMERGENCY OR STATE OF DISASTER AS DESCRIBED IN  
SENATE BILL NO. 1108, WHICH AMENDS SECTION 3 OF THE MICHIGAN OPEN MEETINGS ACT,  
ELECTRONIC MEETINGS WILL BE HELD.**

Proposed minutes of said meetings will be available for public inspection during regular business hours at 735 East Michigan Avenue, Lansing, Michigan, not more than eight business days after said meetings; and approved minutes of said meetings will be available for public inspection during regular business hours at the same location not more than five business days after the meeting at which they are approved.

This notice is given in compliance with Act No. 267 of the Public Acts of Michigan 1976, as amended.

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Gary Heidel  
Acting Executive Director

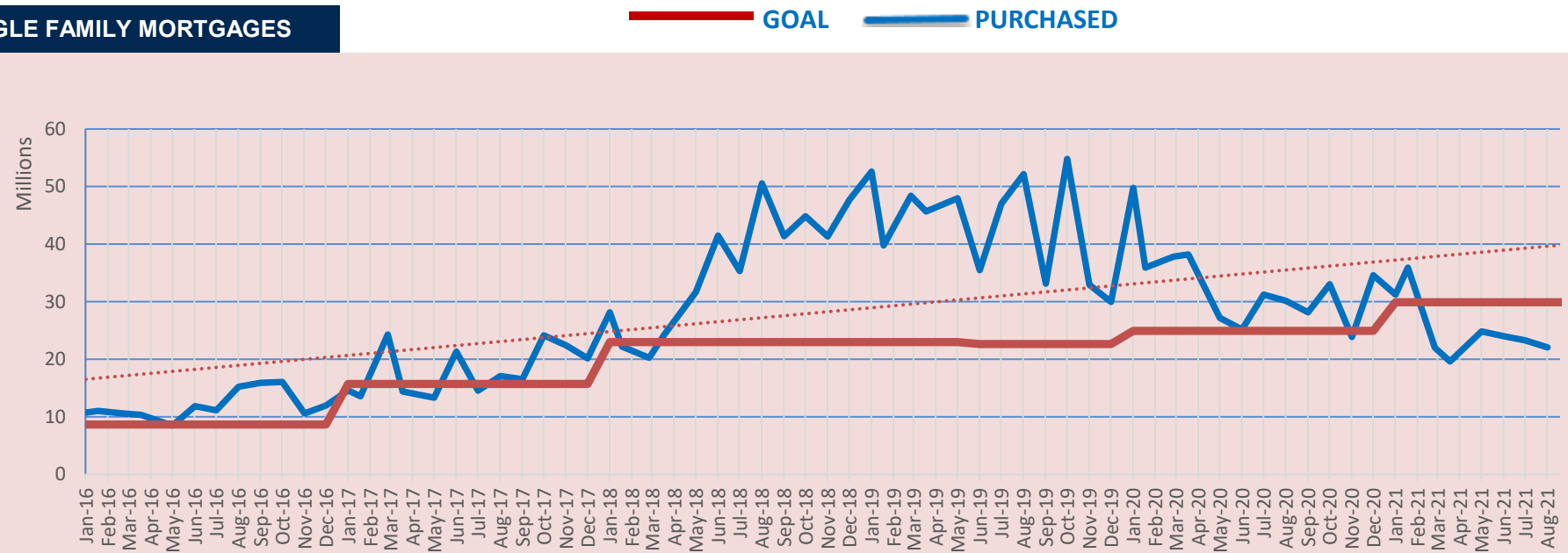
# CURRENT AND HISTORICAL HOMEOWNERSHIP DATA

## AUGUST 2021



MSHDA's Homeownership Division delivers responsive homeownership products, education and technical assistance that empower our customers and strengthen and sustain Michigan communities. We work with our partners to provide creative solutions that maximize existing resources and preserve homeownership opportunities for future generations.

### SINGLE FAMILY MORTGAGES



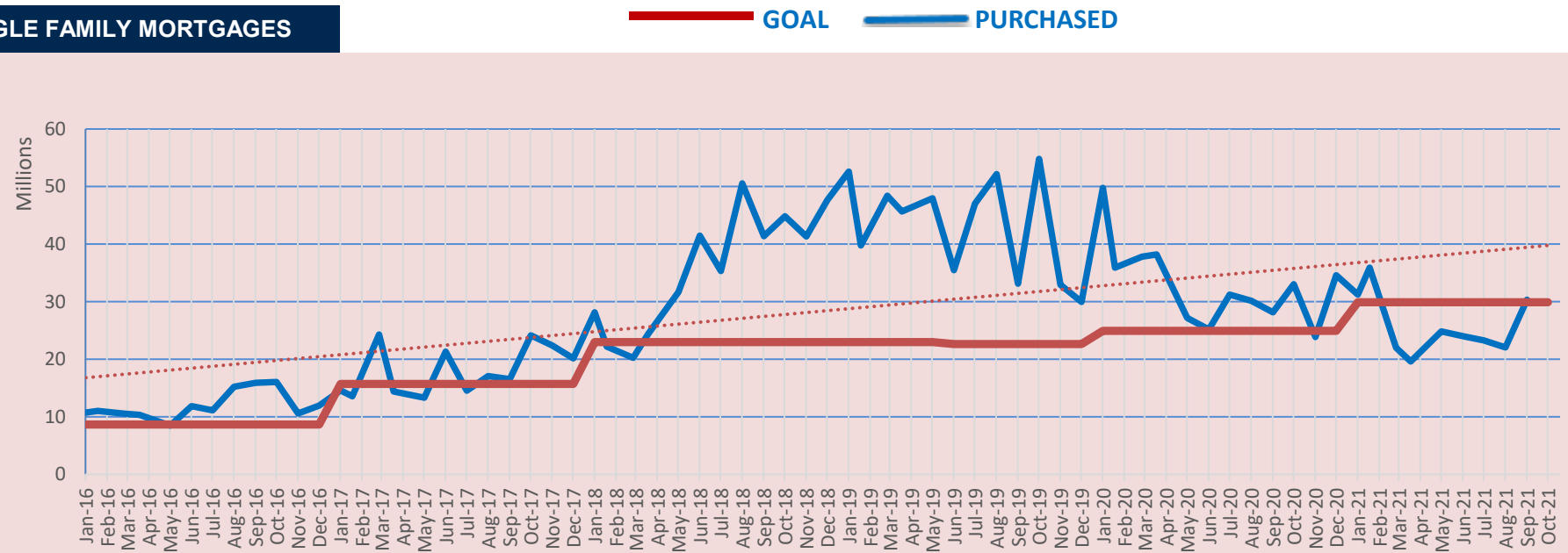
# CURRENT AND HISTORICAL HOMEOWNERSHIP DATA

## SEPTEMBER 2021



MSHDA's Homeownership Division delivers responsive homeownership products, education and technical assistance that empower our customers and strengthen and sustain Michigan communities. We work with our partners to provide creative solutions that maximize existing resources and preserve homeownership opportunities for future generations.

### SINGLE FAMILY MORTGAGES



Monthly Homeownership Production Report: AUGUST 2021

Print on Legal-Size paper

MI HOME Loan Programs

| Series /Date | Month  | RESERVATIONS |                  | APPLICATIONS RECEIVED |                 | COMMITMENTS BEGINNING |                 | COMMITMENTS ISSUED |                 | Cancellations Reinstatements Net |               | Transfers IN or Adjustment |              | Transfers OUT or Adjustment |               | COMMITMENTS ENDING |                 | PURCHASED #1 |                 | PURCHASED-DPA |                | #   | PURCHASED Prior Total | PURCHASED NEW Total | 1st + DPA TO DATE | NEWEST ALLOCATED   |
|--------------|--------|--------------|------------------|-----------------------|-----------------|-----------------------|-----------------|--------------------|-----------------|----------------------------------|---------------|----------------------------|--------------|-----------------------------|---------------|--------------------|-----------------|--------------|-----------------|---------------|----------------|-----|-----------------------|---------------------|-------------------|--------------------|
|              |        |              |                  |                       |                 |                       |                 |                    |                 |                                  |               |                            |              |                             |               |                    |                 |              |                 |               |                |     |                       |                     |                   |                    |
| 031          | Aug-21 | 0            | \$ -             | 0                     | \$0.00          | 0                     | \$0.00          | 0                  | \$0.00          | 0                                | \$0.00        | 0                          | \$0.00       | 0                           | \$0.00        | 0                  | \$0.00          | 0            | \$0.00          | 0             | \$0.00         | 031 | \$ 24,442,026.00      | \$ 24,442,026.00    | \$ 25,759,104.00  | \$ 10,000,000.00   |
|              | Jul-21 | 0            | \$ -             | 0                     | \$0.00          | 0                     | \$0.00          | 0                  | \$0.00          | 0                                | \$0.00        | 0                          | \$0.00       | 0                           | \$0.00        | 0                  | \$0.00          | 0            | \$0.00          | 0             | \$0.00         | 101 | \$ 1,317,078.00       | \$ 1,317,078.00     | remaining:        | \$ (15,759,104.00) |
| 059          | Aug-21 | 0            | \$ -             | 0                     | \$0.00          | 4                     | \$420,247.00    | 0                  | \$0.00          | 0                                | \$0.00        | 0                          | \$0.00       | -1                          | -\$58,913.00  | 3                  | \$361,334.00    | 0            | \$0.00          | 0             | \$0.00         | 059 | \$ 230,478,153.00     | \$ 230,478,153.00   | \$ 242,743,888.00 | \$ 239,657,820.00  |
| 5/1/2020     | Jul-21 | 0            | -                | 0                     | \$0.00          | 12                    | \$1,324,853.00  | 0                  | \$0.00          | -1                               | -\$71,677.00  | 0                          | \$0.00       | -7                          | -\$832,929.00 | 4                  | \$420,247.00    | 0            | \$0.00          | 0             | \$0.00         | 159 | \$ 12,265,735.00      | \$ 12,265,735.00    | remaining:        | \$ (3,086,068.00)  |
| 060          | Aug-21 | 436          | \$ 58,457,778.00 | 473                   | \$61,733,986.00 | 544                   | \$69,084,563.00 | 307                | \$40,867,122.00 | -4                               | -\$404,637.00 | 1                          | \$58,913.00  | 0                           | -\$5,850.00   | 678                | \$87,541,744.00 | 170          | \$22,058,367.00 | 170           | \$1,496,662.00 | 060 | \$ 67,229,281.00      | \$ 89,287,648.00    | \$ 95,417,747.00  | \$ 300,000,000.00  |
| 2/1/2021     | Jul-21 | 437          | 57,251,651.00    | 434                   | \$55,949,278.00 | 431                   | \$54,976,158.00 | 287                | \$36,905,384.00 | -3                               | -\$338,675.00 | 7                          | \$832,929.00 | 0                           | -\$1,920.00   | 544                | \$69,084,563.00 | 178          | \$23,289,313.00 | 178           | \$1,547,876.00 | 160 | \$ 4,633,437.00       | \$ 6,130,099.00     | remaining:        | \$ 204,582,253.00  |
| TOTAL        | Aug-21 | 436          | \$58,457,778.00  | 473                   | \$61,733,986.00 | 548                   | \$69,504,810.00 | 307                | \$40,867,122.00 | -4                               | -\$404,637.00 | 1                          | \$58,913.00  | -1                          | -\$64,763.00  | 681                | \$87,903,078.00 | 170          | \$22,058,367.00 | 170           | \$1,496,662.00 |     |                       |                     |                   |                    |

MI HOME FLEX Loan Program (MBS)

| Series /Date | Month  | RESERVATIONS |                 | APPLICATIONS RECEIVED |                | COMMITMENTS BEGINNING |                | COMMITMENTS ISSUED |                | COMMITMENT Cancellations Reinstatements Net |               | COMMITMENT & PURCHASE IN/DEcrease Net |        | COMMITMENTS ENDING |                | PURCHASED #1 |                | PURCHASED-DPA |              |
|--------------|--------|--------------|-----------------|-----------------------|----------------|-----------------------|----------------|--------------------|----------------|---|---------------|---------------------------------------|--------|--------------------|----------------|--------------|----------------|---------------|--------------|
| 900          | Aug-21 | 24           | \$ 3,112,683.00 | 22                    | \$2,838,587.00 | 56                    | \$7,446,577.00 | 15                 | \$1,908,789.00 | -1  | -\$135,800.00 | 0                                     | \$0.00 | 43                 | \$5,669,883.00 | 27           | \$3,549,683.00 | 27            | \$195,641.00 |
| 11/14/2013   | Jul-21 | 25           | \$ 3,154,771.00 | 28                    | \$3,503,878.00 | 51                    | \$6,726,480.00 | 18                 | \$2,180,518.00 | 0   | \$0.00        | 0                                     | \$0.00 | 56                 | \$7,446,577.00 | 13           | \$1,460,421.00 | 13            | \$92,647.00  |

| MCC       | RESERVATIONS |    |                 | APPS RECEIVED |                 | COMMITMENTS |                 | CERTIFICATES |                 |
|-----------|--------------|----|-----------------|---------------|-----------------|-------------|-----------------|--------------|-----------------|
| 212 MCC   | Aug-21       | 11 | \$ 1,548,693.00 | 9             | \$ 1,262,648.00 | 9           | \$ 1,262,648.00 | 7            | \$ 1,093,112.00 |
| 9/18/2019 | Jul-21       | 9  | \$ 1,395,288.00 | 8             | \$ 1,331,634.00 | 8           | \$ 1,331,634.00 | 14           | \$ 2,130,629.00 |

| PIP Loans | Reservations |    |           | Applications |    | Commitments |   | Purchased |          |
|-----------|--------------|----|-----------|--------------|----|-------------|---|-----------|----------|
| August-21 | 1            | \$ | 18,711.00 | 1            | \$ | 9,890.00    | 0 | \$        | -        |
| July-21   | 0            | \$ | -         | 1            | \$ | 8,258.00    | 1 | \$        | 8,258.00 |
|           |              |    |           |              |    |             |   |           |          |

Monthly Homeownership Production Report: SEPTEMBER 2021

Print on Legal-Size paper

MI HOME Loan Programs

| Series /Date | Month  | RESERVATIONS |                  | APPLICATIONS RECEIVED |                 | COMMITMENTS BEGINNING |                 | COMMITMENTS ISSUED |                 | Cancellations |               | Transfers IN |              | Transfers OUT |               | COMMITMENTS |                  | PURCHASED #1 |                 | PURCHASED-DPA |                | #   | PURCHASED         |                   | 1st + DPA         | NEWEST             |
|--------------|--------|--------------|------------------|-----------------------|-----------------|-----------------------|-----------------|--------------------|-----------------|---------------|---------------|--------------|--------------|---------------|---------------|-------------|------------------|--------------|-----------------|---------------|----------------|-----|-------------------|-------------------|-------------------|--------------------|
|              |        |              |                  |                       |                 | Reinstatements        | Net             |                    |                 | or Adjustment | or Adjustment | ENDING       | Prior Total  | NEW Total     | TO DATE       | ALLOCATED   |                  |              |                 |               |                |     |                   |                   |                   |                    |
| 031          | Sep-21 | 0            | \$ -             | 0                     | \$0.00          | 0                     | \$0.00          | 0                  | \$0.00          | 0             | \$0.00        | 0            | \$0.00       | 0             | \$0.00        | 0           | \$0.00           | 0            | \$0.00          | 0             | \$0.00         | 031 | \$ 24,442,026.00  | \$ 24,442,026.00  | \$ 25,759,104.00  | \$ 10,000,000.00   |
|              | Aug-21 | 0            | \$ -             | 0                     | \$0.00          | 0                     | \$0.00          | 0                  | \$0.00          | 0             | \$0.00        | 0            | \$0.00       | 0             | \$0.00        | 0           | \$0.00           | 0            | \$0.00          | 0             | \$0.00         | 101 | \$ 1,317,078.00   | \$ 1,317,078.00   | remaining:        | \$ (15,759,104.00) |
| 059          | Sep-21 | 0            | \$ -             | 0                     | \$0.00          | 3                     | \$361,334.00    | 0                  | \$0.00          | 0             | \$0.00        | 0            | \$0.00       | -1            | -\$103,098.00 | 2           | \$258,236.00     | 0            | \$0.00          | 0             | \$0.00         | 059 | \$ 230,478,153.00 | \$ 230,478,153.00 | \$ 242,743,888.00 | \$ 239,657,820.00  |
| 5/1/2020     | Aug-21 | 0            | -                | 0                     | \$0.00          | 4                     | \$420,247.00    | 0                  | \$0.00          | 0             | \$0.00        | 0            | \$0.00       | -1            | -\$58,913.00  | 3           | \$361,334.00     | 0            | \$0.00          | 0             | \$0.00         | 159 | \$ 12,265,735.00  | \$ 12,265,735.00  | remaining:        | \$ (3,086,068.00)  |
| 060          | Sep-21 | 60           | \$ 9,102,285.00  | 418                   | \$55,353,186.00 | 678                   | \$87,541,744.00 | 317                | \$41,945,193.00 | -3            | -\$347,722.00 | 1            | \$103,098.00 | 0             | -\$8,398.00   | 760         | \$98,859,343.00  | 233          | \$30,374,572.00 | 233           | \$2,046,212.00 | 060 | \$ 67,229,281.00  | \$ 97,603,853.00  | \$ 104,283,502.00 | \$ 300,000,000.00  |
| 2/1/2021     | Aug-21 | 436          | 58,457,778.00    | 473                   | \$61,733,986.00 | 544                   | \$69,084,563.00 | 307                | \$40,867,122.00 | -4            | -\$404,637.00 | 1            | \$58,913.00  | 0             | -\$5,850.00   | 678         | \$87,541,744.00  | 170          | \$22,058,367.00 | 170           | \$1,496,662.00 | 160 | \$ 4,633,437.00   | \$ 6,679,649.00   | remaining:        | \$ 195,716,498.00  |
| 061          | Sep-21 | 290          | \$ 36,843,530.00 | 54                    | \$7,263,806.00  | 0                     | \$0.00          | 12                 | \$1,480,986.00  | 0             | \$0.00        | 0            | \$0.00       | 0             | \$0.00        | 12          | \$1,480,986.00   | 0            | \$0.00          | 0             | \$0.00         | 061 | \$ -              | \$ -              | \$ -              | \$ 300,000,000.00  |
| 9/8/2021     | Aug-21 | 0            | -                | 0                     | \$0.00          | 0                     | \$0.00          | 0                  | \$0.00          | 0             | \$0.00        | 0            | \$0.00       | 0             | \$0.00        | 0           | \$0.00           | 0            | \$0.00          | 0             | \$0.00         | 161 | \$ -              | \$ -              | remaining:        | \$ 300,000,000.00  |
| TOTAL        | Sep-21 | 350          | \$45,945,815.00  | 472                   | \$62,616,992.00 | 681                   | \$87,903,078.00 | 329                | \$43,426,179.00 | -3            | -\$347,722.00 | 1            | \$103,098.00 | -1            | -\$111,496.00 | 774         | \$100,598,565.00 | 233          | \$30,374,572.00 | 233           | \$2,046,212.00 |     |                   |                   |                   |                    |

MI HOME FLEX Loan Program (MBS)

| Series /Date | Month  | RESERVATIONS |                 | APPLICATIONS RECEIVED |                | COMMITMENTS BEGINNING |                | COMMITMENTS ISSUED |                | COMMITMENT Cancellations Reinstatements Net |               | COMMITMENT & PURCHASE IN/Decrease Net |        | COMMITMENTS ENDING |                | PURCHASED #1 |                | PURCHASED-DPA |              |
|--------------|--------|--------------|-----------------|-----------------------|----------------|-----------------------|----------------|--------------------|----------------|---|---------------|---------------------------------------|--------|--------------------|----------------|--------------|----------------|---------------|--------------|
| 900          | Sep-21 | 17           | \$ 1,737,904.00 | 19                    | \$2,256,354.00 | 43                    | \$5,669,883.00 | 17                 | \$1,951,143.00 | 0   | \$0.00        | 0                                     | \$0.00 | 35                 | \$4,601,725.00 | 25           | \$3,019,301.00 | 25            | \$176,313.00 |
| 11/14/2013   | Aug-21 | 24           | \$ 3,112,683.00 | 22                    | \$2,838,587.00 | 56                    | \$7,446,577.00 | 15                 | \$1,908,789.00 | -1  | -\$135,800.00 | 0                                     | \$0.00 | 43                 | \$5,669,883.00 | 27           | \$3,549,683.00 | 27            | \$195,641.00 |

| MCC       | RESERVATIONS |    |                 | APPS RECEIVED |                 | COMMITMENTS |                 | CERTIFICATES |                 |
|-----------|--------------|----|-----------------|---------------|-----------------|-------------|-----------------|--------------|-----------------|
| 212 MCC   | Sep-21       | 15 | \$ 2,197,024.00 | 11            | \$ 1,577,043.00 | 11          | \$ 1,577,043.00 | 10           | \$ 1,498,093.00 |
| 9/18/2019 | Aug-21       | 11 | \$ 1,548,693.00 | 9             | \$ 1,262,648.00 | 9           | \$ 1,262,648.00 | 7            | \$ 1,093,112.00 |

| PIP Loans    | Reservations |              | Applications |              | Commitments |      | Purchased |             |
|--------------|--------------|--------------|--------------|--------------|-------------|------|-----------|-------------|
| September-21 | 0            | \$ -         | 2            | \$ 12,579.00 | 0           | \$ - | 1         | \$ 5,084.00 |
| August-21    | 1            | \$ 18,711.00 | 1            | \$ 9,890.00  | 0           | \$ - | 0         | \$ -        |

## MI 10K DPA Loan: Zip Codes

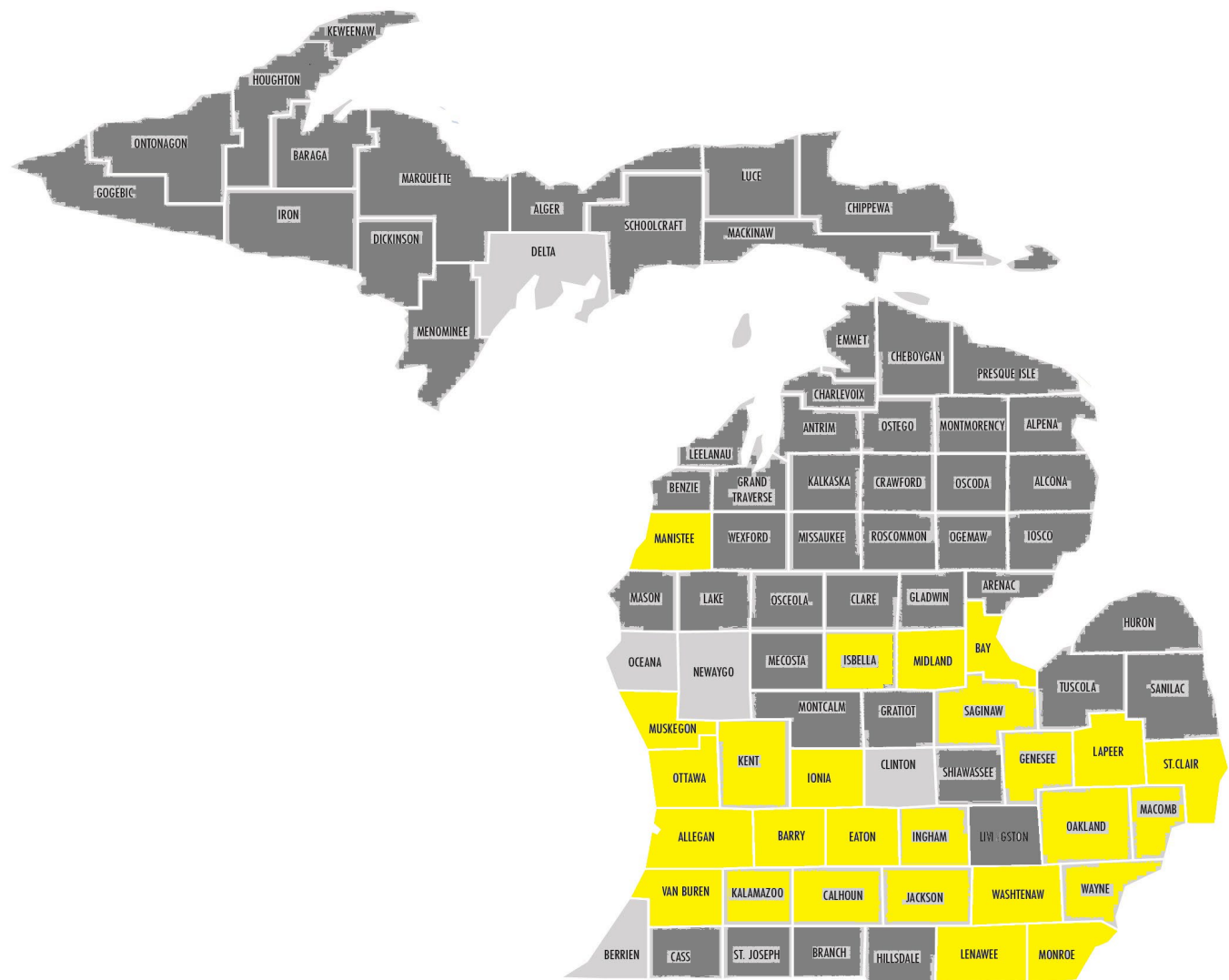
The MI 10K DPA Loan program is a \$10,000 down payment assistance program available in **236** zip codes throughout the state. The MI 10K DPA Loan must be combined with a MI Home Loan.

### AUGUST 2021

| County (#zips)                | #          | Loan                 | DPA                 | Total \$             |
|-------------------------------|------------|----------------------|---------------------|----------------------|
| Allegan (2)                   | 2          | \$ 348,448           | \$ 20,000           | \$ 368,448           |
| Barry (1)                     | 1          | \$ 7,900             | \$ 8,194            | \$ 87,194            |
| Bay (2)                       | 2          | \$ 283,675           | \$ 17,726           | \$ 301,401           |
| Berrien(2)                    |            |                      |                     |                      |
| Calhoun (4)                   | 2          | \$ 231,450           | \$ 17,633           | \$ 249,083           |
| Clinton (1)                   |            |                      |                     |                      |
| Delta (1)                     |            |                      |                     |                      |
| Eaton (2)                     | 1          | \$ 117,826           | \$ 10,000           | \$ 127,826           |
| Genesee (16)                  | 2          | \$ 193,426           | \$ 19,721           | \$ 213,147           |
| Ingham (12)                   | 10         | \$ 1,166,117         | \$ 98,603           | \$ 1,264,720         |
| Ionia (1)                     | 2          | \$ 289,557           | \$ 18,178           | \$ 307,735           |
| Isabella (1)                  |            |                      |                     |                      |
| Jackson (3)                   | 3          | \$ 267,497           | \$ 30,000           | \$ 297,497           |
| Kalamazoo (11)                | 4          | \$ 697,188           | \$ 38,841           | \$ 736,029           |
| Kent (18)                     | 8          | \$ 1,379,055         | \$ 79,446           | \$ 1,458,501         |
| Lapeer (1)                    | 1          | \$ 155,000           | \$ 7,859            | \$ 162,859           |
| Lenawee (3)                   | 1          | \$ 105,900           | \$ 10,000           | \$ 115,900           |
| Macomb (27)                   | 11         | \$ 1,535,990         | \$ 109,066          | \$ 1,645,056         |
| Manistee (1)                  | 1          | \$ 42,950            | \$ 9,500            | \$ 52,450            |
| Midland (1)                   |            |                      |                     |                      |
| Monroe (1)                    | 1          | \$ 135,703           | \$ 10,000           | \$ 145,703           |
| Muskegon (5)                  | 7          | \$ 943,926           | \$ 64,395           | \$ 1,008,321         |
| Newaygo (1)                   |            |                      |                     |                      |
| Oakland (36)                  | 9          | \$ 1,422,646         | \$ 90,000           | \$ 1,512,646         |
| Oceana (1)                    |            |                      |                     |                      |
| Ottawa (5)                    | 1          | \$ 189,150           | \$ 10,000           | \$ 199,150           |
| Saginaw (6)                   | 4          | \$ 405,823           | \$ 37,318           | \$ 443,141           |
| Saint Clair (1)               | 3          | \$ 405,601           | \$ 30,000           | \$ 435,601           |
| Van Buren (2)                 |            |                      |                     |                      |
| Washtenaw (7)                 | 3          | \$ 445,720           | \$ 29,615           | \$ 475,335           |
| Wayne (61)                    | 42         | \$ 5,347,665         | \$ 406,551          | \$ 5,754,216         |
| <b>TOTAL</b>                  | <b>121</b> | <b>\$ 16,118,213</b> | <b>\$ 1,172,646</b> | <b>\$ 17,361,959</b> |
| <b>AUGUST Total Purchases</b> | 170        | \$ 22,058,367        | \$ 1,496,662        | \$ 24,837,189        |
| <b>Percentage that is 10K</b> | 71%        | 73%                  | 78%                 | 70%                  |



Dark Grey = No Zip Codes available  
Light Grey = Zip Codes available but not used yet  
Yellow = 10K DPAs purchased



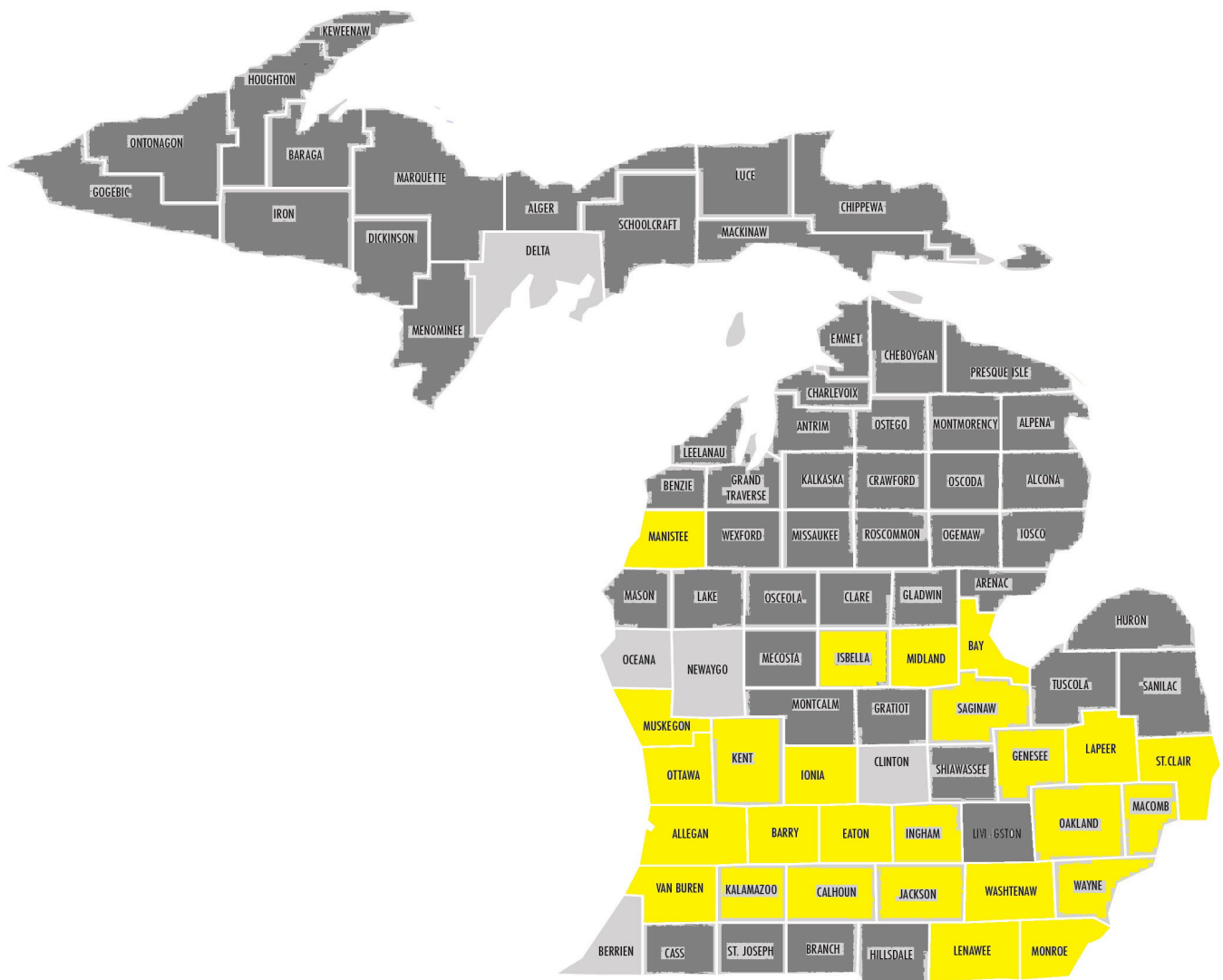
## MI 10K DPA Loan: Zip Codes

The MI 10K DPA Loan program is a \$10,000 down payment assistance program available in **236** zip codes throughout the state. The MI 10K DPA Loan must be combined with a MI Home Loan.

### AUGUST 2021

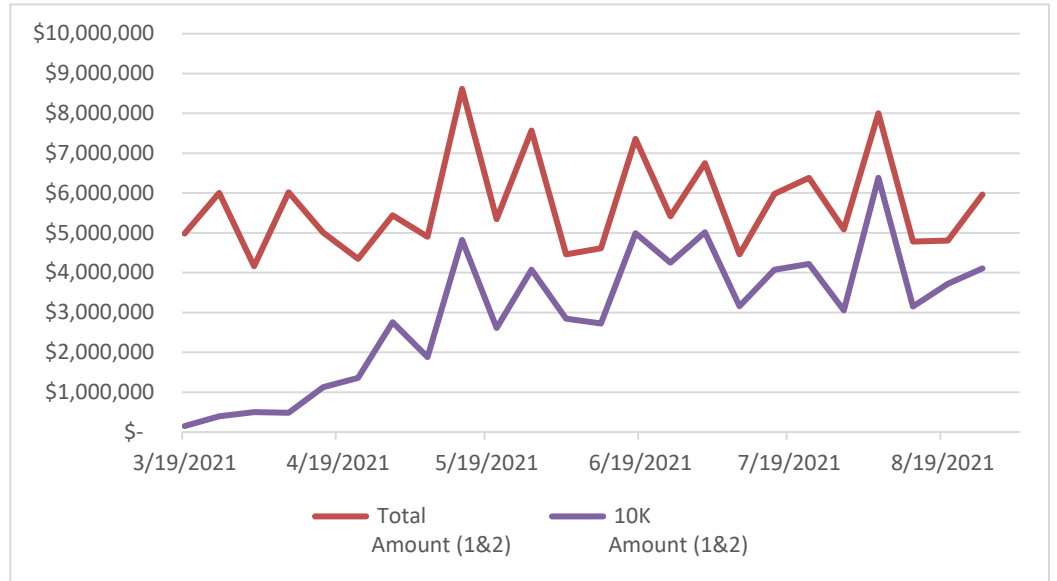
| County (#zips)            | #          | Loan                 | DPA                 | Total \$             |
|---------------------------|------------|----------------------|---------------------|----------------------|
| Allegan (2)               |            |                      |                     | \$ -                 |
| Barry (1)                 |            |                      |                     | \$ -                 |
| Bay (2)                   | 3          | \$ 246,090           | \$ 28,127           | \$ 274,217           |
| Berrien(2)                |            |                      |                     | \$ -                 |
| Calhoun (4)               | 3          | \$ 311,486           | \$ 29,306           | \$ 340,792           |
| Clinton (1)               |            |                      |                     | \$ -                 |
| Delta (1)                 |            |                      |                     | \$ -                 |
| Eaton (2)                 |            |                      |                     | \$ -                 |
| Genesee (16)              | 5          | \$ 708,470           | \$ 49,550           | \$ 758,020           |
| Ingham (12)               | 12         | \$ 1,354,023         | \$ 116,398          | \$ 1,470,421         |
| Ionia (1)                 |            |                      |                     | \$ -                 |
| Isabella (1)              |            |                      |                     | \$ -                 |
| Jackson (3)               | 6          | \$ 687,162           | \$ 56,459           | \$ 743,621           |
| Kalamazoo (11)            | 1          | \$ 141,005           | \$ 9,440            | \$ 150,445           |
| Kent (18)                 | 10         | \$ 1,748,095         | \$ 97,672           | \$ 1,845,767         |
| Lapeer (1)                |            |                      |                     | \$ -                 |
| Lenawee (3)               | 1          | \$ 169,750           | \$ 10,000           | \$ 179,750           |
| Macomb (27)               | 37         | \$ 5,309,855         | \$ 359,619          | \$ 5,669,474         |
| Manistee (1)              |            |                      |                     | \$ -                 |
| Midland (1)               |            |                      |                     | \$ -                 |
| Monroe (1)                | 2          | \$ 280,034           | \$ 20,000           | \$ 300,034           |
| Muskegon (5)              | 3          | \$ 373,829           | \$ 27,108           | \$ 400,937           |
| Newaygo (1)               |            |                      |                     | \$ -                 |
| Oakland (36)              | 8          | \$ 1,336,392         | \$ 76,162           | \$ 1,412,554         |
| Oceana (1)                |            |                      |                     | \$ -                 |
| Ottawa (5)                |            |                      |                     | \$ -                 |
| Saginaw (6)               |            |                      |                     | \$ -                 |
| Saint Clair (1)           | 6          | \$ 762,751           | \$ 57,858           | \$ 820,609           |
| Van Buren (2)             |            |                      |                     | \$ -                 |
| Washtenaw (7)             | 3          | \$ 472,328           | \$ 28,785           | \$ 501,113           |
| Wayne (61)                | 65         | \$ 8,670,348         | \$ 637,473          | \$ 9,307,821         |
| <b>TOTAL</b>              | <b>165</b> | <b>\$ 22,571,618</b> | <b>\$ 1,603,957</b> | <b>\$ 24,175,575</b> |
| September Total Purchases | 233        | \$ 30,374,572        | \$ 2,046,212        | \$ 32,420,784        |
| Percentage that is 10K    | 71%        | 74%                  | 78%                 | 75%                  |

Dark Grey = No Zip Codes available  
Light Grey = Zip Codes available but not used yet  
Yellow = 10K DPAs purchased



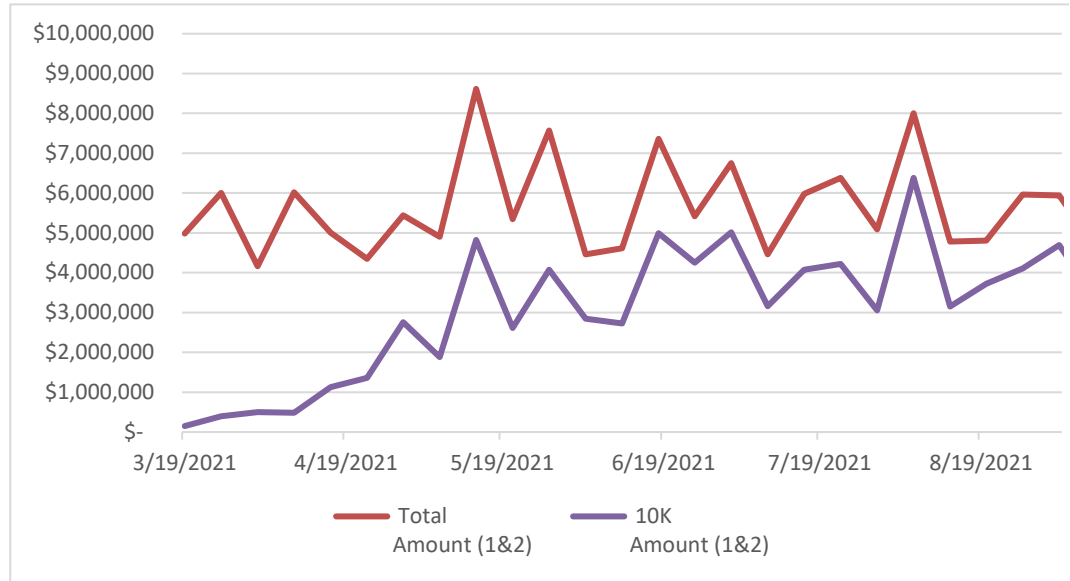
## MI 10K DPA vs MI HOME LOANS

| Week Ending | Total Loans | Total Amount (1&2) | 10K Loans | 10K Amount (1&2) | 10K % |
|-------------|-------------|--------------------|-----------|------------------|-------|
| 3/19/2021   | 40          | \$ 4,982,877       | 1         | \$ 150,160       | 3%    |
| 3/26/2021   | 48          | \$ 6,002,218       | 3         | \$ 393,972       | 6%    |
| 4/2/2021    | 35          | \$ 4,162,653       | 3         | \$ 500,983       | 9%    |
| 4/9/2021    | 45          | \$ 6,019,106       | 3         | \$ 484,272       | 7%    |
| 4/16/2021   | 40          | \$ 5,010,110       | 8         | \$ 1,122,817     | 20%   |
| 4/23/2021   | 38          | \$ 4,347,883       | 11        | \$ 1,361,436     | 29%   |
| 4/30/2021   | 44          | \$ 5,440,281       | 20        | \$ 2,759,046     | 45%   |
| 5/7/2021    | 38          | \$ 4,898,879       | 14        | \$ 1,882,260     | 37%   |
| 5/14/2021   | 64          | \$ 8,614,809       | 33        | \$ 4,821,606     | 52%   |
| 5/21/2021   | 40          | \$ 5,341,955       | 17        | \$ 2,614,773     | 43%   |
| 5/28/2021   | 57          | \$ 7,566,174       | 29        | \$ 4,075,720     | 51%   |
| 6/4/2021    | 36          | \$ 4,458,756       | 23        | \$ 2,846,217     | 64%   |
| 6/11/2021   | 36          | \$ 4,613,958       | 21        | \$ 2,724,093     | 58%   |
| 6/18/2021   | 53          | \$ 7,362,019       | 35        | \$ 4,991,894     | 66%   |
| 6/25/2021   | 41          | \$ 5,415,113       | 30        | \$ 4,248,091     | 73%   |
| 7/2/2021    | 49          | \$ 6,751,285       | 34        | \$ 5,011,163     | 69%   |
| 7/9/2021    | 34          | \$ 4,458,913       | 24        | \$ 3,160,523     | 71%   |
| 7/16/2021   | 42          | \$ 5,978,935       | 28        | \$ 4,078,905     | 67%   |
| 7/23/2021   | 43          | \$ 6,379,623       | 27        | \$ 4,217,508     | 63%   |
| 7/30/2021   | 40          | \$ 5,084,927       | 24        | \$ 3,054,472     | 60%   |
| 8/6/2021    | 60          | \$ 8,005,759       | 45        | \$ 6,383,113     | 75%   |
| 8/13/2021   | 35          | \$ 4,785,928       | 22        | \$ 3,150,493     | 63%   |
| 8/20/2021   | 34          | \$ 4,804,222       | 26        | \$ 3,719,121     | 76%   |
| 8/27/2021   | 41          | \$ 5,959,120       | 28        | \$ 4,109,232     | 68%   |
| 9/3/2021    |             |                    |           |                  |       |
| 9/10/2021   |             |                    |           |                  |       |
| 9/17/2021   |             |                    |           |                  |       |
| 9/24/2021   |             |                    |           |                  |       |
| 10/1/2021   |             |                    |           |                  |       |
| 10/8/2021   |             |                    |           |                  |       |
| 10/15/2021  |             |                    |           |                  |       |
| 10/22/2021  |             |                    |           |                  |       |
| 10/29/2021  |             |                    |           |                  |       |
| 11/5/2021   |             |                    |           |                  |       |
| 11/12/2021  |             |                    |           |                  |       |
| 11/19/2021  |             |                    |           |                  |       |
| 11/26/2021  |             |                    |           |                  |       |
| 12/3/2021   |             |                    |           |                  |       |
| 12/10/2021  |             |                    |           |                  |       |



## MI 10K DPA vs MI HOME LOANS

| Week Ending | Total Loans | Total Amount (1&2) | 10K Loans | 10K Amount (1&2) | 10K % |
|-------------|-------------|--------------------|-----------|------------------|-------|
| 3/19/2021   | 40          | \$ 4,982,877       | 1         | \$ 150,160       | 3%    |
| 3/26/2021   | 48          | \$ 6,002,218       | 3         | \$ 393,972       | 6%    |
| 4/2/2021    | 35          | \$ 4,162,653       | 3         | \$ 500,983       | 9%    |
| 4/9/2021    | 45          | \$ 6,019,106       | 3         | \$ 484,272       | 7%    |
| 4/16/2021   | 40          | \$ 5,010,110       | 8         | \$ 1,122,817     | 20%   |
| 4/23/2021   | 38          | \$ 4,347,883       | 11        | \$ 1,361,436     | 29%   |
| 4/30/2021   | 44          | \$ 5,440,281       | 20        | \$ 2,759,046     | 45%   |
| 5/7/2021    | 38          | \$ 4,898,879       | 14        | \$ 1,882,260     | 37%   |
| 5/14/2021   | 64          | \$ 8,614,809       | 33        | \$ 4,821,606     | 52%   |
| 5/21/2021   | 40          | \$ 5,341,955       | 17        | \$ 2,614,773     | 43%   |
| 5/28/2021   | 57          | \$ 7,566,174       | 29        | \$ 4,075,720     | 51%   |
| 6/4/2021    | 36          | \$ 4,458,756       | 23        | \$ 2,846,217     | 64%   |
| 6/11/2021   | 36          | \$ 4,613,958       | 21        | \$ 2,724,093     | 58%   |
| 6/18/2021   | 53          | \$ 7,362,019       | 35        | \$ 4,991,894     | 66%   |
| 6/25/2021   | 41          | \$ 5,415,113       | 30        | \$ 4,248,091     | 73%   |
| 7/2/2021    | 49          | \$ 6,751,285       | 34        | \$ 5,011,163     | 69%   |
| 7/9/2021    | 34          | \$ 4,458,913       | 24        | \$ 3,160,523     | 71%   |
| 7/16/2021   | 42          | \$ 5,978,935       | 28        | \$ 4,078,905     | 67%   |
| 7/23/2021   | 43          | \$ 6,379,623       | 27        | \$ 4,217,508     | 63%   |
| 7/30/2021   | 40          | \$ 5,084,927       | 24        | \$ 3,054,472     | 60%   |
| 8/6/2021    | 60          | \$ 8,005,759       | 45        | \$ 6,383,113     | 75%   |
| 8/13/2021   | 35          | \$ 4,785,928       | 22        | \$ 3,150,493     | 63%   |
| 8/20/2021   | 34          | \$ 4,804,222       | 26        | \$ 3,719,121     | 76%   |
| 8/27/2021   | 41          | \$ 5,959,120       | 28        | \$ 4,109,232     | 68%   |
| 9/3/2021    | 41          | \$ 5,942,856       | 31        | \$ 4,695,376     | 76%   |
| 9/10/2021   | 34          | \$ 4,647,038       | 23        | \$ 3,335,413     | 68%   |
| 9/17/2021   | 42          | \$ 5,569,804       | 27        | \$ 3,811,547     | 64%   |
| 9/24/2021   | 57          | \$ 8,030,565       | 44        | \$ 6,590,495     | 77%   |
| 10/1/2021   | 59          | \$ 8,230,521       | 40        | \$ 5,742,744     | 68%   |
| 10/8/2021   |             |                    |           |                  |       |
| 10/15/2021  |             |                    |           |                  |       |
| 10/22/2021  |             |                    |           |                  |       |
| 10/29/2021  |             |                    |           |                  |       |
| 11/5/2021   |             |                    |           |                  |       |
| 11/12/2021  |             |                    |           |                  |       |
| 11/19/2021  |             |                    |           |                  |       |
| 11/26/2021  |             |                    |           |                  |       |
| 12/3/2021   |             |                    |           |                  |       |
| 12/10/2021  |             |                    |           |                  |       |



# 2021 BOARD CALENDAR

DRAFT

| January                  |
|--------------------------|
| <b>VOTING ITEMS:</b>     |
|                          |
| <b>DISCUSSION ITEMS:</b> |
|                          |
|                          |
|                          |
|                          |

| February                          |
|-----------------------------------|
| <b>VOTING ITEMS:</b>              |
|                                   |
| <b>DISCUSSION ITEMS:</b>          |
| 1. FY 2021-2022 PHA Plan          |
| 2. Quarterly Financials           |
| 3. MSHDA Loan Refinancing Program |
|                                   |

| March                                  |
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| <b>VOTING ITEMS:</b>                   |
| 1. FY 2021-2022 PHA Plan               |
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|  |
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| <b>DISCUSSION ITEMS:</b>               |
| 1. Resale Policy                       |
| 2. Amended Citizens Participation Plan |
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| April                                  |
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| <b>VOTING ITEMS:</b>                   |
| 1. Resale Policy                       |
| 2. Amended Citizens Participation Plan |
| 3. Election of Vice Chair              |
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| <b>DISCUSSION ITEMS:</b>               |
| 1. Multifamily Bond Deal               |
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| May                        |
|----------------------------|
| <b>VOTING ITEMS</b>        |
| 1. Multifamily Bond Deal   |
|                            |
|                            |
|                            |
|                            |
| <b>DISCUSSION ITEMS:</b>   |
| 1. 2021-22 Budget          |
| 2. QAP                     |
| 3. Quarterly Financials    |
| 4. Single Family Bond Deal |

| June                     |
|--------------------------|
| <b>VOTING ITEMS</b>      |
| 1. 2021-22 Budget        |
| 2. QAP                   |
|                          |
|                          |
|                          |
| <b>DISCUSSION ITEMS:</b> |
| 1. Pass-Through Program  |
|                          |
|                          |
|                          |

| July                             |
|----------------------------------|
| <b>VOTING ITEMS:</b>             |
| 1. Pass-Through Program          |
| 2. Single Family Bond Deal       |
|                                  |
|                                  |
|                                  |
| <b>DISCUSSION ITEMS:</b>         |
| 1. Mortgage Loan Increase Policy |
| 2. Quarterly Financials          |
|                                  |
|                                  |

| August  |
|---|
| <b>VOTING ITEMS:</b>  |
| 1. Mortgage Loan Increase Policy                              |
| 2. Remarketing of Rental Housing Revenue Bonds, 2016 Series E |
|   |
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| <b>DISCUSSION ITEMS:</b>                                      |
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| September                |
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| <b>VOTING ITEMS:</b>     |
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|                          |
| <b>DISCUSSION ITEMS:</b> |
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| October  |
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| <b>VOTING ITEMS:</b>                           |
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| <b>DISCUSSION ITEMS:</b>                       |
| 1. Approval of Board Meeting Schedule for 2022 |
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| November                                       |
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| <b>VOTING ITEMS:</b>                           |
| 1. Approval of Board Meeting Schedule for 2022 |
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|  |
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| <b>DISCUSSION ITEMS:</b>                       |
| 1. Audited Year-End 6/30/2021 Financials       |

| December                 |
|--------------------------|
| <b>VOTING ITEMS:</b>     |
|                          |
|                          |
|                          |
|                          |
|                          |
| <b>DISCUSSION ITEMS:</b> |
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